

City of Matlosana

2012/13

# Annual Report



# Preface

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# Chapter 1



# Chapter 1

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### EXECUTIVE MAYOR’S FOREWORD



In reviewing our performance for the 2012/2013 financial year, we take cognisance of and applaud the significant achievements gained in terms of fulfilling our obligations but at the same time also acknowledge the challenges of further expanding services and infrastructure to those who have not yet been fortunate to access these things.

The Local Government: Municipal Systems Act, 32 of 2000, as amended (Section 46) and Local Government: Municipal Finance Management Act, 56 of 2003 (Section 88), require us to present an annual report that reflects on the institution’s performance in delivering services for the financial year.

For the financial year 2012/2013, the City of Matlosana, through the collective efforts of councillors and officials, has made positive strides in addressing the following challenges:

- ▶ Lack of effective coordination of services implementation
- ▶ Monitoring and evaluation system
- ▶ Political will and negative influence on activities of council.
- ▶ Allegations of corruption and fraud
- ▶ Lack of capacity and transfer of skills
- ▶ Continuous negative outcomes of the Auditor General's report
- ▶ Poor public relations
- ▶ Financial management

Our challenges were not limited to the above, but these are the key ones we tackled with no effort spared. Our commitment to the communities we serve ensured that we overcome difficult situations and deliver on our mandate for the year under review.

#### a. VISION

To be amongst the 5 leading municipalities by 2016, responding to our service delivery obligations in a manner befitting our municipality and the community.

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## b. KEY POLICY DEVELOPMENTS

The 2012/2013 Annual Report affirms that we are moving slightly towards attaining our objective of becoming one of the top five best-performing municipalities. The goal may seem too far-fetched, but the delivery of services and implementation of developmental programmes are reflecting improvements.

It is our legal obligation as Council to ensure stricter and prudent financial management practices that are in line with National Treasury Regulations, and also to comply with all the provisions of the Municipal Finance Management Act (MFMA), Act 56 of 2003. We therefore approved financial management policies that enabled us to be cautious about the kind of financial decisions we make and their implications.

Our Indigent Policy, for example, allows us to provide the required services to deserving consumers within the prescripts of the law.

## c. KEY SERVICE DELIVERY IMPROVEMENTS

We have completed some of the projects and programmes that we budgeted for in the 2012/13 financial year, while others are in the implementation stages.

- ▶ Khuma bulk water supply : 10 Mℓ storage reservoir is 100% complete,
- ▶ The Library in Khuma Ext. 8 is 100% complete
- ▶ The library in Tigane is also 100% complete
- ▶ The Khuma pressure tower is 100% complete

The housing backlog in our municipality has been estimated to be standing at 49% (15 757 informal settlements still to be eradicated and 15 958 landless people), with the Jouberton and Tigane areas being the most affected. We have, in collaboration with the Department of Human Settlements, developed a programme of action to address the housing backlog. The project plan has been initiated and is being implemented in phases.

The harsh realities of the closure of mines, resulting in an increased unemployment rate and in people living below the poverty line, continue to impact negatively on payment for services. Through this annual report we nevertheless are able to report that amid the undesirable socio-economic circumstance prevailing in our city, we can still address, and deliver on, our constitutional obligations as a municipality.

## d. PUBLIC PARTICIPATION

Our interaction with the communities as well as other stakeholders has ensured transparent debates and open processes that has enabled us to understand better what is valued within the communities and has informed our decision-making.

# Chapter 1

The Council regards it as important for anyone who is interested in or may be affected by service delivery to have the opportunity to participate and provide input so that concerns can be identified, considered and appropriately addressed before final decisions are made.

These interactions were significant during the ESKOM/MIDVAAL saga and presented an opportunity for our stakeholders to work with the municipality in developing solutions.

## e. FUTURE ACTIONS

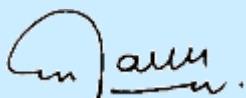
The City of Matlosana continued to improve in respect of good governance, leadership and good financial management for the period under review. Our performance and capabilities have been tested in this period but we managed to overcome these challenges. We will maintain the functionality of the Municipal Public Accounts Committee (MPAC) and the Audit Committee, as well as the working relations established with the Office of the Auditor General, which have directed us towards complying with the financial requirements as stipulated in the MFMA regulations. Compliance with the financial requirements has also been augmented by the appointment of the Chief Audit Executive and the Risk Officers, and these are key positions that will improve the monitoring of financial discipline within the institution.

Financial controls have been put in place to combat irregular and unauthorised expenditure and we continue to strive towards attaining our objective of a clean audit by 2014. The MPAC's plan of action has been approved by Council and will enhance our efforts to ensure that we realise this objective.

The illegal connections of electricity and water continue to be a burden on the municipality and to impact on our debt recovery plans. Penalties will be imposed on defaulters and the recovery process will be closely monitored. Systems to recover monies owed to the municipality by the various departments, businesses and individuals have been developed and the debt recovery effort will continue until it has been accomplished.

## CONCLUSION

The 2012/13 financial year was a challenging period full of negative publicity, as well as difficult situations that required wisdom and resilience. However, we overcame these and preserved the integrity of the municipality. We will continue to tighten up our systems and continuously improve the manner in which things are done in this institution.



**CLLR M K KHAUOE  
EXECUTIVE MAYOR**

# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW



This report is compiled and tabled in terms of Section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003, which requires that the performance report of the municipality and of any municipal entity under the municipality's sole or shared control be tabled at the Municipal Council by the Executive Mayor; after which the Municipal Manager must make the report public and invite the local community to submit representations in respect of issues raised in the report.

Section 121(2) of the Municipal Finance Management Act, Act 56 of 2003, read with Circular 11 and Circular 63, both of MFMA, gives the purpose of the Annual Report as follows:

- ▶ To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- ▶ To provide a report on performance against the budget of the municipality or the municipal entity for that financial year; and
- ▶ To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

It is for that reason that this report will endeavour to cover the broad view of the City of Matlosana Municipal Area with information such as the socio-economic profile of the area and the achievements gained in delivering services to the community, as well as developmental and institutional aspects, including financial performance. The report also covers governance and public participation undertaken by the municipality to ensure involvement of the communities of the City of Matlosana in planning as well as in delivery of services that meet their needs in the period under review.

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The purpose of the report is further to reflect on the work carried out in the 2012/2013 period and to provide feedback on performance against targets to various stakeholders, including the community, government departments and other interested parties. The report also ensures that accountability is upheld and that the clients of the municipality are informed of the decisions that were taken during the period under review.

In the period under review, the City of Matlosana municipality ensured that the budget, the IDP and the Service Delivery Budget Implementation Plans were aligned.

The City of Matlosana enjoys sound inter-sphere and inter-sector relationships, and no major challenges exist in the Project Planning section, owing to good mutual working relations among the Executive Mayor, politicians and the top management of the administration component of the municipality.

We are focused on developing consensus around strategic developmental priorities, and are committed to the challenges of poverty alleviation, local economic development and environmental sustainability.

The following have been achieved during the period under review:

- ▶ 98,77% of households provided with access to basic water
- ▶ 97,80% of households provided with access to basic sanitation
- ▶ 97,81% of households provided with access to basic electricity
- ▶ 98,36% of households provided with access to basic refuse removal
- ▶ 100% of registered rural settlements earning less than R2,440 per month provided with access to free basic services
- ▶ Provided 44,569 approved households earning less than R2,440 per month (indigents) with free basic services
- ▶ Provided 20,050 approved rural settlements (indigents) with free basic alternative energy

In an endeavour to instil an attitude of conservation of power and water, the municipality, through the Director Corporate Services, issued a memorandum to all employees to sensitise them to the importance of ensuring that all lights and electrical appliances are switched off before knock-off time as well as to make sure that all water taps and toilet cisterns are not left running, as well as to report these defects to the maintenance division.

Although no policies were formulated in relation to austerity measures taken to prohibit the use of private facilities for meetings and conferences, the municipality made use of its own facilities for meetings and conferences at all times.

In ensuring efficient governance and compliance the municipality created and filled two critical positions. The appointment of the Chief Audit Executive and the Chief Risk Officer will ensure that there is accountability in the municipality, as well as compliance with legislation. It is worth mentioning that the City of Matlosana has tried to adhere to the principle of good governance, as it is integral to economic growth, the eradication of poverty and the sustainable development of the community we serve.

# Chapter 1

The City of Matlosana operates shared ICT services/facilities. The facilities provide ICT support services to the following municipalities:

- ▶ Tswaing Local Municipality
- ▶ Maquassi Hills Local Municipality
- ▶ Dr Kenneth Kaunda District Municipality

The type of ICT services are:

- ▶ Financial systems support services
- ▶ Daily back-up services
- ▶ Billing
- ▶ Payroll
- ▶ Expenditure
- ▶ Income
- ▶ Data processing, i.e. network support, such as connectivity, radio links, bandwidth management etc.

The reasons are that the City of Matlosana is in a central and strategic point. We have the ICT capability in-house, including secured facilities.

Each one of the other municipalities has their own contractual arrangements with the service provider who hosts the applications, server, database and consulting services on our premises.

These services that are shared with the other municipalities allow us to achieve:

- ▶ Economies of scale
- ▶ Cost reduction of ICT services
- ▶ Avoidance of duplication
- ▶ Increased security of data of the municipality

A special word of thanks goes to all the officials of the City of Matlosana Local Municipality for their dedication, hard work and commitment, the councillors for their oversight, particularly the Executive Mayor, the Speaker of Council, the Single Whip of Council and the Chairperson of MPAC.



**ET MOTSEMME  
MUNICIPAL MANAGER**

# Chapter 1

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### ABOUT THE CITY OF MATLOSANA

The greater city area of Klerksdorp is situated on the N12 Treasure Corridor (SDI) linking the municipal area with the provinces of Gauteng to the east and the Northern Cape to the south west, and it is located between Potchefstroom and Wolmaransstad.

The municipality was classified as a Category B Municipality by the Municipal Demarcation Board, in terms of section 4 of the Local Government Municipal Structures Act, 1998.

The City of Matlosana was previously known as Klerksdorp (KOSH area) and today tends to refer to itself as the "City of People on the Move".

The city is economically viable and has an abundance of government-owned land, which is currently in need of bulk infrastructure to stimulate effective development projects.

Our fresh produce market is one of the largest in the country and open to business and partnerships. A capital injection along with reliable business partners will enable it to become the largest fresh produce market in South Africa.

The N12 development route was identified by the municipality as a flagship project for golden opportunities in the housing, business, industrial, heritage, mining, tourism, and sport and recreation sectors.

The city coordinates are:  26°52'S 26°40'E 26.867°S 26.667°E

### A CITY WITH A VISION

As an organisation with the primary responsibility of ensuring that the Matlosana area is able to realise its full potential in every aspect, the vision and mission of the City of Matlosana is as follows:

VISION	MISSION
Matlosana is a well-run city where wealth attraction, economic growth and quality municipal service delivery place it amongst the five leading local municipalities by 2016.	Excellence in conducting the affairs of the city through attracting money and stimulating economic growth to address the service delivery needs of our people.

# Chapter 1

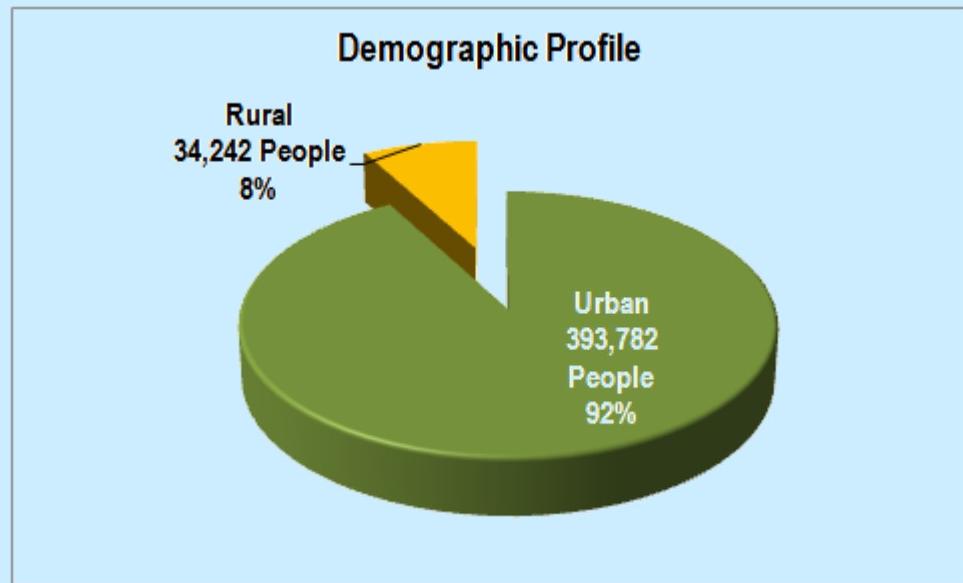
## GEOGRAPHIC PROFILE

The Municipal area of Matlosana covers an area of 3 162 km<sup>2</sup> and consists of the following broad band land use categories:

LAND USE	% COVERAGE
Commercial dry-land, commercial irrigated and semi-commercial substance dry-land	25,28
Forrest / woodland / plantations (degraded included)	2,58
Grassland (improved, unimproved and degraded)	57,23
Thicket, bush land, scrubland and low fynbos	9,94
Urban / built-up land (commercial, industrial, transport, residential and small holdings)	2,52
Water bodies / wetland	0,93
Mines / quarries	1,52

## DEMOGRAPHIC PROFILE

According to estimates based on the Matlosana Socio-Economic Report of 2012, the City of Matlosana has a total population of 428 024 people, of whom 393 782 (92%) are urbanized and 34 242 (8%) are rural. (Mining villages form part of the urban areas.) The largest population concentrations are in Jouberton (31%), Kanana, Khuma and Tigane, which represent 67% of the total urban population.

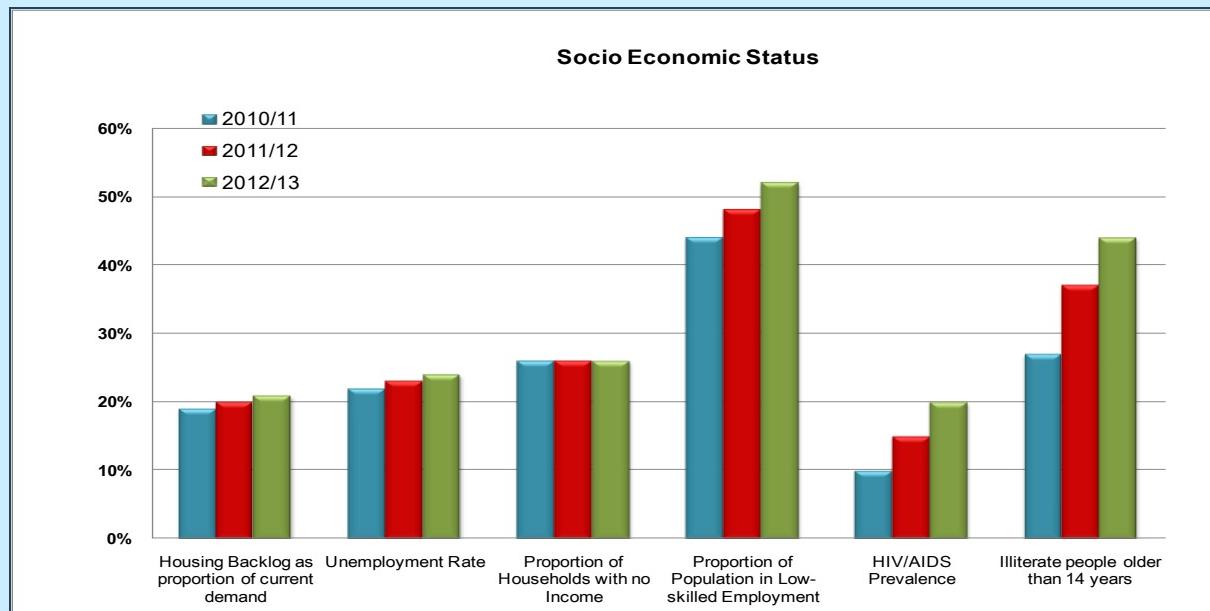


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POPULATION DETAILS			
Age	2010/11	2011/12	2012/13
	Total	Total	Total
Population Details	404 732	415 844	428 024
Ages 0 – 14	110 897	113 941	27%
Ages 15 – 19	32 379	33 268	8%
Ages 20 – 39	161 083	165 506	40%
Ages 40 – 64	87 422	89 822	22%
Ages 65 +	12 951	13 307	3%

Source: Statistics SA

SOCIO ECONOMIC STATUS						
Year	Housing Backlog as proportion of current demand	Un-employment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2010/11	19%	22%	26%	44%	10%	27%
2011/12	20%	23%	26%	48%	15%	37%
2012/13	21%	24%	26%	52%	20%	44%



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NATURAL RESOURCES	
Major Natural Resource	Relevance to Community
Vaal River	Supplies Matlosana with water
Dry land, cultivated and land under irrigation	Agriculture potential
Dolomitic aquifers	Surface mining

## COMMENT ON BACKGROUND DATA

Population and household growth has declined over time. The average annual population growth between 1995 and 2010 was 1,45% and the average annual household growth between 1995 and 2010 was 3,46%. The household growth has decreased over time and in 2010 the growth rate was at 0%. Population growth showed a slower decline and was at 0,75% in 2010.

It is evident that the local economy has become more diverse over the past ten years while declining from 54,6 in 1998 to 39,3 in 2008. This can be ascribed to the fact that the local economy has become less dependent on the mining sector, with the tertiary sectors growing in the long term.

## 1.3 SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

#### ACHIEVEMENTS

- |  |   |         |
|--|---|---------|
| ▶ Number of billed households in the municipality                      | ± | 112 000 |
| ▶ Number of indigent households [STATS SA]                             |   | 40 000  |
| ▶ Number of registered indigent households [Municipal Data]            |   | 44 569  |
| ▶ Number of indigent households with access to FBW                     |   | 44 569  |
| ▶ Number of indigent households with access to FBSan                   |   | 44 569  |
| ▶ Number of indigent households with access to FBRR                    |   | 44 569  |
| ▶ Number of indigent households with access to FBAE                    |   | 2 000   |
| ▶ Number of households provided Free Basic Electricity by Eskom        |   | 2 400   |
| ▶ Number of households provided Free Basic Electricity by Municipality |   | 20 050  |

#### EQUITABLE SHARE

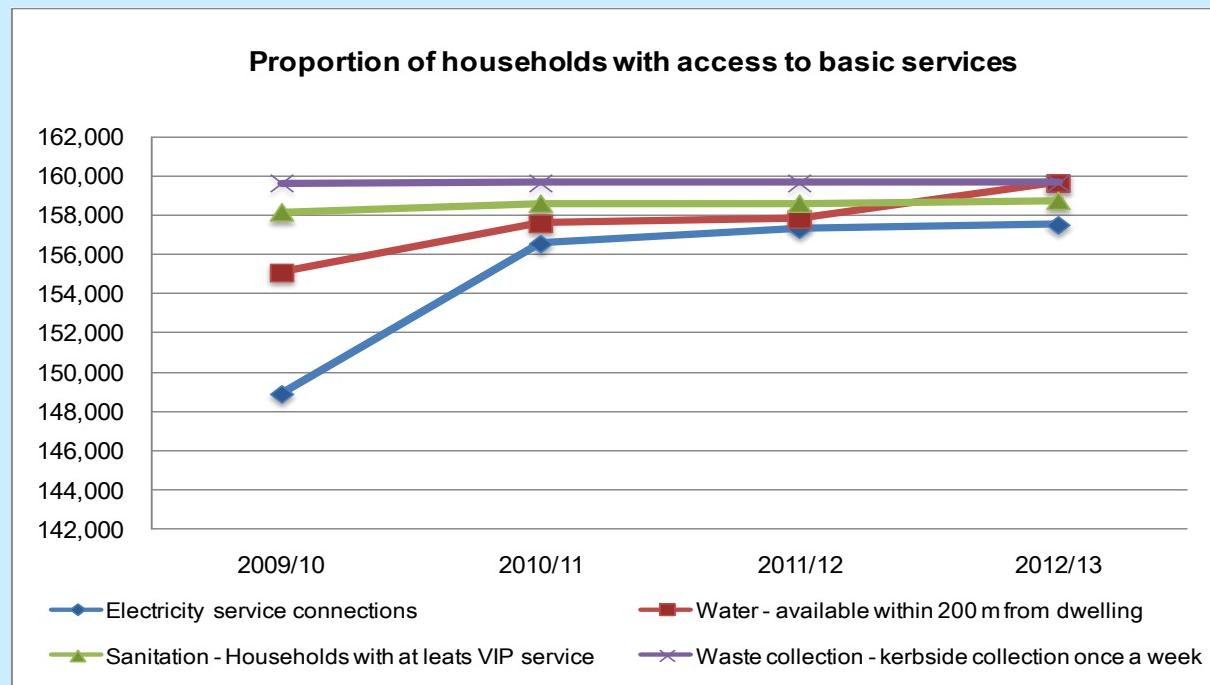
EQUITABLE SHARE PROVIDED FOR FREE BASIC SERVICES – 2012/13			
Services	Allocation Expenditure	Expenditure	% Expenditure
Total	R 95 144 644	R 104 181 633	109%

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## CHALLENGES

- ▶ The provision of free basic electricity in areas where Eskom is the supplier
- ▶ Fraudulent consumers are claiming indigent status
- ▶ Indigent consumers who do not collect their Free Basic Electricity
- ▶ Consumers who are possibly indigent are not coming forward to disclose their status
- ▶ Access denied by some farm owners to supply Free Basic Alternative Energy to their farms

PROPORTION OF HOUSEHOLDS WITH MINIMUM LEVEL OF BASIC SERVICES				
Basic Services	2009/10	2010/11	2011/12	2012/13
Electrical service connections	148 927	156 594	157 315	158 774
Water – available within 200 m from dwelling	155 114	157 615	157 835	160 349
Sanitation – households with at least VIP service	158 175	158 615	158 615	158 770
Waste collection – kerbside collection once a week	159 640	159 660	159 680	159 680



## COMMENT ON ACCESS TO BASIC SERVICES

- ▶ Some consumers are possibly indigent but are not coming forward to disclose their status.
- ▶ Access is denied by some farm owners for the supply of FBAE to their farms.

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## FOUR LARGEST PROJECTS FOR THE 2012/13 FINANCIAL YEAR

IDP PROJECT	R'000
Increase capacity – Hartbeesfontein WWTP: Phase 1 (Mechanical)	14,392
Rehabilitation of landfill site: KOSH	14,197
Paving of taxi routes and storm-water drainage ditches: Jouberton: Phase 6	13,000
Upgrading mechanical, electrical equipment and pump stations: (Volume 4)	8,000

The rehabilitation of the landfill site and upgrading of equipment and pump stations have been completed, but the Hartbeesfontein waste water plant project is still in progress and consists of various phases. Phase 2 will commence in the 2013/14 financial year. The same is the case with the paving of taxi routes and storm water ditches in Jouberton – Phase 6 is still incomplete and will be completed in the 2013/14 financial year.

The major priorities as indicated by our community during the IDP consultation processes are roads, storm-water drainage and the upgrading and maintenance of infrastructure. The above-mentioned projects were therefore prioritised and are being implemented to address the needs of the community.

### 1.4 FINANCIAL HEALTH OVERVIEW

#### FINANCIAL OVERVIEW

The City of Matlosana is dependent on rates and services income as well as grant income, which constituted about a quarter of the municipality's income. The municipality's sustainability is dependent on the effective management of its resources as well as on the community's effective contribution to and participation in the budgeting process as well as by the payment of rates and for services.

Non-payment of rates and for services is a national concern and the City of Matlosana is not immune to the problem. With the new management the focus has been shifted to ensuring that all reasonable steps are taken to enhance the debt collection rate. Better planning and control over expenditure and higher efficiencies of staff will also deliver results in the future.

There are already indications (see the ratio analyses in chapter 5) that many of the downward trends have bottomed out (or are in the process of doing so). Further budgetary control and debt collection improvements should enhance the financial outlook for the following financial years and should improve the balance sheet to levels that could entertain higher spending/service delivery.

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FINANCIAL OVERVIEW: 2012/13			
Details	Original budget	Adjustment Budget	R' 000 Actual
Income:	1 793 179	1 741 794	152 015
Grants	341 313	341 313	437 739
Taxes Levies and tariffs	1 202 113	1 215 905	942 164
Other	249 753	184 575	(1 227 888)
Sub Total	1 793 179	1 741 793	152 015
Less: Expenditure	1 790 938	1 741 721	1 883 626
<b>Net Total*</b>	<b>2 241</b>	<b>72</b>	<b>(1 731 611)</b>

\* Note: surplus/(deficit)

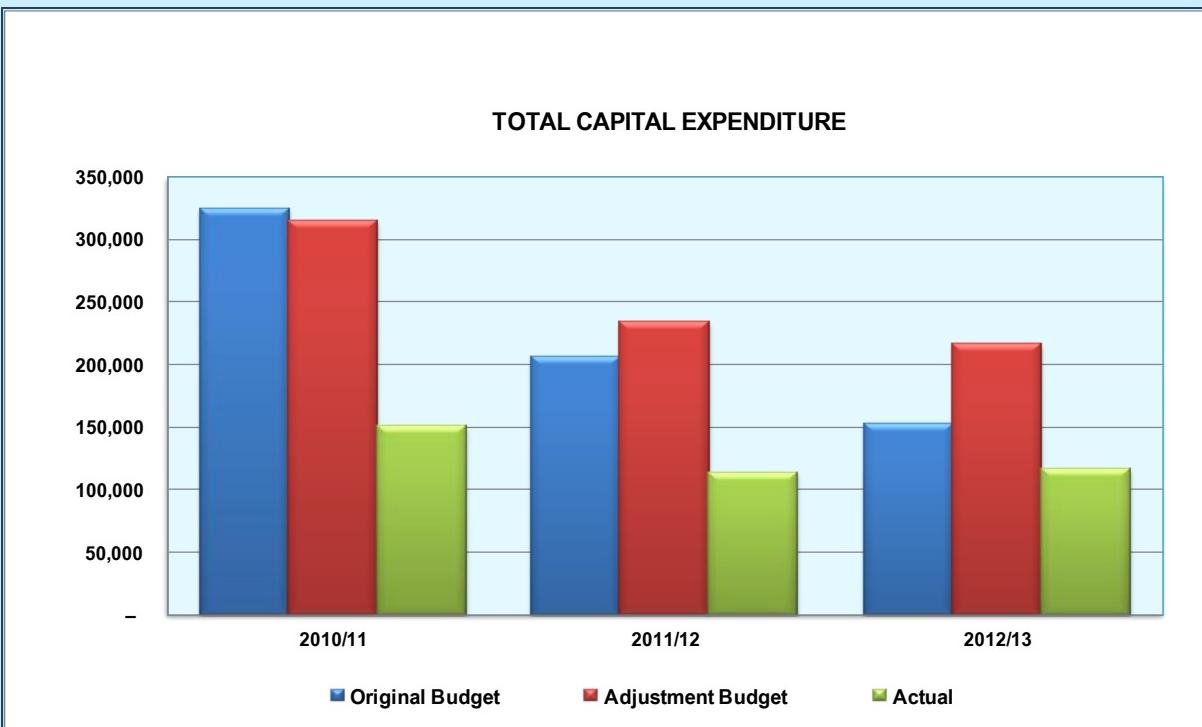
OPERATING RATIOS: 2012/13	
Detail	%
Employee Cost	24,45
Repairs & maintenance	2,62
Finance charges and impairment	10,10

## COMMENT ON OPERATING RATIOS

Employee cost is 25% of the total budget and repairs 4%, which is less than the norm. Council is expecting to increase repairs of infrastructure since it has increased tariffs and has also appointed a debt collector. Debt impairment is 5%.

TOTAL CAPITAL EXPENDITURE: 2010/11 TO 2012/13			
Detail	2010/11	2011/12	2012/13 R'000
Original Budget	324 146	206 159	152 246
Adjustment Budget	314 317	233 594	215 644
Actual	150 370	113 331	116 589

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## COMMENT ON CAPITAL EXPENDITURE

The low spending on Capex is due to:

- ▶ In the case of MIG – late appointments of service providers
- ▶ In the case of Council funding – cash flow constraints

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

The organisational structure was amended and approved by Council on 31 July 2012 (CC 66/2012).

The City of Matlosana at the end of the 2012/2013 financial year had an approved complement of 2 401 posts, of which 2 206 were filled. A total of 195 vacancies have not been filled, primarily due to a moratorium on the filling of vacancies. The vacant posts represent a vacancy rate of 8%.

In order to capacitate critical areas within the municipality, the following positions were created and filled during the financial year:

- ▶ Chief Audit Executive – Internal Audit Section
- ▶ Chief Risk Officer – Risk Section
- ▶ Risk Officer – Risk Section

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- ▶ Legal Officers – Legal Section
- ▶ Administrative Officer Gr. I – Supply Chain Management Section
- ▶ Administrative Assistant – Supply Chain Management Section
- ▶ Chief Administrative Officer – Municipal Public Accounts Officer

## 1.6 AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: 2012/13

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the Auditor General is to express an opinion on the municipality's financial statements based on conducting an audit in accordance with International Standards on Auditing.

For the previous financial year (2011/2012) the City of Matlosana received a disclaimer. The basis for this opinion is that the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion on the financial viability or rectitude of this municipality.

A report from the Auditor General for the financial year under review is contained in chapter 6 of this report.

## 1.7 STATUTORY ANNUAL REPORT PROCESS

NO.	ACTIVITY	TIMEFRAME
1	Consideration of next financial year's budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feed seamlessly into the annual report process at the end of the budget/IDP implementation period	July
2	Implementation and monitoring of approved budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter report for previous financial year	
4	Submit draft 2012/13 annual report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit / Performance Committee considers draft annual report of municipality and entities (where relevant)	
8	Mayor tables the unaudited annual report	August
9	Municipality submits draft annual report, including consolidated annual financial statements and performance report to Auditor General	
10	Annual performance report as submitted to Auditor General to be provided as input to the IDP analysis phase	

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11	Auditor General audits annual report, including consolidated annual financial statements and performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables annual report and audited financial statements to Council, complete with the Auditor General's report	
14	Audited annual report is made public and representations are invited	
15	Oversight Committee assesses annual report	
16	Council adopts oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft budget/ IDP finalisation for next financial year. Annual report and oversight report to be used as input	January

## COMMENT ON THE ANNUAL REPORT PROCESS

It is necessary that the municipality derive maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The annual report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that the Municipal Manager study this process flow and ensure that reports are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited annual report in August of each year, which is consistent with the MFMA.

One of the advantages of compiling an unaudited Annual Report in August is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year, as well as the budgetary requirements related to each vote.

An unaudited annual report submitted in August will further provide the municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget with other priority areas requiring attention.

The annual report of a municipality must be tabled in the municipal council as soon as possible after year end, namely August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends, and not a year later, as is currently the case. It is expected that effective performance management will also result from this change.

The annual report must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and annual report should contain similar and consistent information to facilitate understanding and to enable linkage between plans and actual performance.

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The above can only occur if the municipality were to set appropriate key performance indicators and performance targets with regard to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The annual report content will assist municipal councillors, municipalities, municipal entities, residents, oversight institutions and other users of annual reports with information and progress made on service delivery. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in-year reports. The content will also assist with the annual audits.

Another key aspect of the reform in combining the relevant information into the new annual report format will assist the municipality to streamline operations and processes through combined committees, and to reduce costs, time and effort. There will be a limited need for the municipality to have different committees to deal with financially and non-financially related matters.

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# Chapter 2



# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

To govern is to exercise political, economic and administrative authority to manage the nation's affairs. Governance is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences.

The political and administrative components of Council maintain a sound working relationship by ensuring respect for procedures and protocols. The City Council as legal entity relates to the other spheres of government and organised local government bodies through the Intergovernmental Policy Framework. Communities as an interest group in municipal affairs participates through public participation mechanisms and processes in the decision making systems of Council

This includes interaction with stakeholders in shaping the performance of the municipality so as to enhance a healthy relationship and minimise conflict.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political governance ensures regular communication with the community at large by means of imbizos and the IDP and budget consultations. This ensures that the community participates in identifying needs and in making inputs on the performance of the municipality. This process ensures healthy relations with the community and minimises conflict.

Administrative governance ensures transparent administration, regular feedback to the community and compliance with the rules, processes and laws by which Council operates and is regulated and controlled.

#### 2.1 POLITICAL GOVERNANCE

##### INTRODUCTION TO POLITICAL GOVERNANCE

The City of Matlosana is made up of 70 elected councillors who are deployed in the various council committees, namely:

- ▶ Finance and Debt Normalisation
- ▶ Housing, Land Affairs and Rural Development
- ▶ Corporate Services
- ▶ Community and Health Services

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- ▶ Sports, Arts and Culture
- ▶ Transversal Issues
- ▶ Public Safety
- ▶ Infrastructure
- ▶ Electrical Engineering
- ▶ Economic Growth and Marketing

The City Council of Matlosana has established an Audit Committee and Performance Audit Committee, as well as a Municipal Public Accounts Committee (MPAC), comprising non-executive councillors with the purpose of commenting and making recommendations on the annual report and the Auditor General's Report. The Oversight Committee Report is published separately in accordance to the Municipal Finance Management Act, No. 56 of 2003, two months after the annual report had been tabled.

The Executive Mayor appoints from amongst elected councillors his or her Mayoral Committee Members (MMCs), who advise him or her on municipal affairs, as well as other councillors to serve in Section 80 committees for a specific purpose.

POLITICAL STRUCTURE	FUNCTIONS
	<b>EXECUTIVE MAYOR</b> Clr. MK Khauoe  The Executive Mayor identifies the needs of the municipality, reviews and evaluates those needs, in order of priority, recommends to the municipal council strategies, programmes and services to address priority needs through the Integrated Development Plan, and estimates the value of revenue and expenditure, taking into account any applicable national and provincial development plans, and recommends and determines the best way to deliver strategies, programmes and services to the maximum benefit of the Community. The Executive Mayor also performs a ceremonial role.
	<b>SPEAKER</b> Clr. LM Kortjas  The Speaker presides at meetings of the Council, maintains order during meetings and ensures that meetings are conducted in accordance with the rules of order of the Council.
	<b>SINGLE WHIP</b> Clr. GS Nkebe  The Single Whip is to ensure that Councillors are accountable to the communities, and that the code of conduct is respected and adhered to by all councillors. The Single Whip ensures discipline during meetings of Council and committees. He facilitates political debates and workshops for all councillors.

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## MAYORAL COMMITTEE MEMBERS

	Cllr. MMS Lee MMC Finance	
	Cllr. ME Mthimkulu MMC Sport, Arts & Culture	
	Cllr. GC Mbobo MMC Public Safety	
	Cllr. ME Kgaile MMC Transversal	
	Cllr. NS Mendela MMC Electrical Engineering	

## COUNCILLORS

Councillors provide a vital link between communities they serve and the City. They are responsible for representing the needs and interests of the people they represent, regardless of whether they voted for them. Although councillors are not usually full-time professionals, they are bound by a code of conduct. The Councillors serve for five years.

The City of Matlosana comprises 35 Ward Councillors and 35 PR (proportional representation) Councillors. See **Appendix A**, where a full list of councillors can be found (including committee allocations and attendance of council meetings).

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A Ward Councillors have to balance the expectations of their wards and their political parties. The Ward Councillor is the chairperson of the relevant ward committee and is responsible for convening the constituency meeting to elect ward committee members, calling ward committee meetings, ensuring that a schedule of meetings is prepared, handling queries and complaints in the ward, resolving disputes and making referrals of unresolved disputes to the municipality, and for ensuring that the ward committee does what the municipality expects in regard to reporting procedures. See **Appendix B**, which sets out committees and the purposes of committees.

The Ward Councillors should be fully involved in all community activities in which the ward committee is engaged and communicate the activities and meeting schedules to the PR Councillors. PR means "proportional representation", where voters vote for a political party and not an individual candidate within a party. The ballot paper just shows the political parties. The party gets the same share of the number of councillors as the share of total PR votes it received. The party decides which members are to fill those councillor positions. A PR Councillor is allocated to a ward and provides support to the Ward Councillor in things that relate to the ward or the ward committee.

A PR Councillor handles queries and complaints in consultation with the Ward Councillor, assists in the resolving of disputes and in making referrals, helps with implementation of projects, supports the Ward Councillor without replacing the Ward Councillor, and attends ward committee meetings, constituency meetings and special meetings.

## POLITICAL DECISION-MAKING

As a municipality with a Mayoral Executive system all matters for consideration by Council must be considered by the Mayoral Committee for recommendation to Council.

Matters delegated by Council are finalised at the Mayoral Committee and is submitted to Council for cognisance, while matters excluded from delegation by law or not delegated by Council are submitted via the Mayoral Committee to Council for finalisation.

Council resolutions implemented against the number of decisions taken is 100%.

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## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of part 7 section 82 of the Municipal Structures Act 117 of 1998 as amended the Municipality must appoint the Municipal Manager, who is the head of administration and therefore the Accounting Officer. In terms of section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended the Municipal Manager as head of administration is subject to policy directives of the Municipal Council responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the

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municipality in accordance with all legislation and policies pertaining to Local Government. In terms of section 50 of the Local Government: Municipal Systems Act 32 of 2000, as amended, the Council in consultation with the Municipal Manager must appoint managers who are directly responsible to the Municipal Manager and who must have the relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

The Municipal Manager is also accountable for all the income and expenditure and all assets, as well as the discharge of liabilities of the municipality, including proper and diligent compliance with the Municipal Finance Management Act, 53 of 2003. Senior managers or directors who report directly to the Municipal Manager are delegated such functions as the Municipal Manager may delegate to them and are responsible for all those matters delegated to them, including financial management as well as discipline and capacitating of officials within their areas of responsibility, together with compliance with all legislation governing Local Government, its policies and by-laws.

The Municipal Manager and directors form the senior management core and all directors are accountable to the Municipal Manager for the strategic management and oversight of their departments. All budget expenditure in each directorate is managed by the relevant director in order to ensure that service delivery matters are handled speedily.

TOP ADMINISTRATIVE STRUCTURE	FUNCTIONS
<b>MUNICIPAL MANAGER</b> <b>Mr ET Motsemme</b>	As head of administration and Accounting Officer of the municipality the Municipal Manager is subject to the policy directions of the municipal Council and is responsible and accountable for duties and responsibilities outlined under Section 55 of the Local Government: Municipal Systems Act 32 of 2000, as amended and any other relevant duties as may be delegated from time to time to the Municipal Manager by the Executive Mayor and Council. The Municipal Manager is also responsible for duties outlined under sections 60 to 75 of the Municipal Finance Management Act.
<b>DIRECTOR: CORPORATE SERVICES</b> <b>Mr AG Strydom</b>	This director is responsible for establishing and maintaining structures, within the parameters of legality and good governance, that will provide administration that is appropriately relevant, timeous and effective for the execution of tasks and that will be transparent as well as provide an environment that is conducive to stimulating public participation within co-operative governance.
<b>DIRECTOR: FINANCE</b> <b>Mr MK Kgauwe</b>	This director is responsible for ensuring effective and efficient strategic management of the finance portfolio, which includes budgetary management, financial accounting management, supply chain management, credit control management, investments and banking, treasury management, supply chain management and risk management

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<b>DIRECTOR: STRATEGIC PLANNING, MONITORING AND CONTROL</b> Ms LM Ramorola	This director is responsible for implementing a monitoring and evaluation methodology in line with legislative requirements and for providing leadership and direction in the operation of the performance management system and its monitoring and evaluation, development of the SDBIP, quarterly performance reports and the annual report.
<b>DIRECTOR: MACRO CITY PLANNING AND DEVELOPMENT</b> Mr SG Mabuda	This director is responsible for creating a prosperous city and developing economic strategies that will alleviate poverty and the related socio-economic impacts by stimulating economic growth and development, for operating a fresh produce market that is effective, efficient and economic and which satisfies consumer needs through effective distribution channels, facility provision and operational services.
<b>DIRECTOR: CIVIL SERVICES &amp; HUMAN SETTLEMENTS</b> Mr DR Mukonduleli	This director is responsible for providing water, roads, storm-water drainage and sanitation through well-established and well-maintained infrastructure that will stimulate growth, resulting in a broader income base, and that will encourage taxpayers to sustain payments because of well-established and well-maintained infrastructure.
<b>DIRECTOR: ELECTRICAL &amp; MECHANICAL ENGINEERING</b> Vacant	This director is responsible for providing an electricity supply service in an effective and efficient manner as well as for providing a cost-effective distribution network and a sustainable electricity supply to all consumers.
<b>DIRECTOR: MUNICIPAL &amp; ENVIRONMENTAL SERVICES</b> Vacant	This director is responsible for developing and maintaining recreational facilities by establishing a friendly, green, clean, neat and beautiful city, developing and maintaining the cultural heritage of the city and rendering a sustainable cleansing service to all residents of the city; also, for establishing a safe and crime-free environment where all people can develop to their full potential by promoting safer communities through prevention, preparedness, response, recovery, education and enforcement

All the above mentioned positions are section 57 positions.

The third tier of posts / positions can be seen in **Appendix C**.

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Promoting intergovernmental relations (IGR) helps to make everyone aware that there is one seamless government working together to serve the people. It builds teamwork within the various spheres of government and between government and its agencies as well as other partners in development.

The IGR activities include:

- ▶ Planning and budgeting
- ▶ Consultations and meetings as well as information sharing sessions

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- ▶ Dispute resolutions
- ▶ Reporting
- ▶ Monitoring and evaluation

Service delivery is the core function of the municipality. Cooperative governance is but an arrangement entered into by the spheres of government to fast-track service delivery within the constitutional mandate.

Forums have been established to share best practices among municipalities and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottlenecks in certain spheres. Such forums must be attended to check and report on service delivery.

Examples of such forums are: -

- ▶ Municipal Manager's Forum
- ▶ Mayor's Forum
- ▶ Chief Financial Officer's Forum.

The City of Matlosana is a member of and does participate in these forums, including SALGA (South African Local Government Association), both at provincial and national level.

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The City of Matlosana participates in IGR on:

Distressed mining towns: The City of Matlosana is among the eight municipalities chosen to benefit from the special Presidential Package established to help fast-track programmes in mining towns. The pilot project town is Rustenburg, owing to the Marikana saga. Our area is the second in line where the national government is encouraging the mining houses to intervene in addressing socio-economic and housing challenges. The co-coordinator is the Department of Minerals and Energy with the National Department of Human Settlements and the affected municipalities as participants.

Neighbourhood Development Programme: The municipality is the beneficiary of this programme through the Urban Network Strategy. The NDP is a project co-ordinated by the National Treasury.

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The City of Matlosana is a participant in NWDEDT (North West Department of Economic Development and Tourism) forum. Through this forum Matlosana will be hosting the National Tourism Day for 2013.

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The City of Matlosana is also chairing the Treasure Route Association, which consists of all municipalities along the N12 Treasure Route, on the promotion of the N12SDI. The route starts from Emalahleni in Mpumalanga and extends to George in the Western Cape. The city also participates in North West Planning Commission, which is chaired by Mr D. Afrika. The commission assists municipalities in aligning their development programmes with the National Planning Commission's priorities.

## DISTRICT INTERGOVERNMENTAL STRUCTURES

In our district municipality, the Dr Kenneth Kaunda District Municipality we established various IGR structures such as:

- ▶ District Economic Development Forum
- ▶ Mining Forum
- ▶ Rural Economic Development Forum
- ▶ District IDP Forum

These forums meet quarterly to discuss planning in consultation with one another so as to solicit financial assistance from the district municipality in funding projects of mutual benefit to municipalities within the district.

## RELATIONSHIP WITH MUNICIPAL ENTITIES

Currently Council does not make use of any service provider(s) that render(s) a municipal service on behalf of Council and therefore no performance can be reported.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MPAC is established in terms of section 79 of the Municipal Structures Act and performs an oversight function on behalf of council and is not a duplication of other committees of council, such as the Finance Committee or that of the Audit Committee.

MPAC will undertake and manage similar functions and responsibilities for municipalities, as undertaken by the Standing Committee on Public Accounts in the national and provincial legislatures, except for certain powers regarding subpoena of individuals. In the case of any irregular expenditure or any fruitless and wasteful expenditure incurred by the municipalities or municipal entities, the MPAC will have the right to call upon the accounting officer of the municipality or the chairperson of the municipal entity's board of directors to appear before it to provide information or clarity.

The MPAC may engage directly with the public and consider public comments when received and will be entitled to request for documents or evidence from the Accounting Officer of a municipality or municipal entity.

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Section 129(4) of the MFMA further provides for the issuance of guidance on the manner in which municipal councils should consider annual reports and conduct public hearings, and the functioning and composition of any public accounts or oversight committees established by the council to assist it to consider an annual report.

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

- Residents, communities and stakeholders (Civil Society):  
To represent interests and contribute knowledge and ideas in the planning process by:
  - Participating in the IDP Representative Forum to:
    - ▶ Inform interest groups, communities and organisations of relevant planning activities and their outcomes
    - ▶ Analyse issues, determine priorities, negotiate and reach consensus
    - ▶ Participate in the designing of project proposals and/or in assessing them
    - ▶ Discuss and comment on the draft IDP
    - ▶ Ensure that annual business plans and budgets are based on and linked to the IDP
    - ▶ Monitor performance in implementation of the IDP
  - Conducting meetings or workshops with groups, communities or organisations to prepare for and follow up on relevant planning activities.
- Mechanisms and procedures for the public participation process:
  - Compilation of a database of all relevant community and stakeholder organisations.
  - Informing communities and stakeholders:
    - ▶ Communities and stakeholders must be informed of the municipality's intention to embark on the integrated development planning process.
    - ▶ Organised and unorganised social groups will be invited to participate in the integrated development planning process
- Mechanisms
  - Ward Committees: Councillors have to inform people within their wards by means of public ward level meetings.
  - Media
    - ▶ Dikgang tsa Matlosana newspaper
    - ▶ Advertisements in local newspapers
    - ▶ Notices at prominent locations e.g. pay points
- Awareness campaigns
  - Direct mail e.g. leaflets with service bills
  - Ward meetings through ward councillors
  - Distribution of pamphlets and posters to ward committees
  - Radio announcements / newspaper advertisements

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- Public participation  
Venue for public participation: The venue for the IDP Representative Forum will be the offices of the City of Matlosana. An assessment will be made to verify the availability of the facilities and bookings will be made in advance.
- Time arrangements for participation  
Arrangements will be made to schedule the workshops at times that will suit the majority of the participants.
- Transport arrangements  
Members of the IDP Representative Forum will be liable for their own transport costs to the respective workshops.
- Arrangements for report-backs by representatives  
Representatives will be encouraged to report back to their organisations after every session. The effectiveness of these report-backs will be assessed by feedback from these organisations. A period of 2 weeks will be allowed for feedback.
- Stakeholders' comment on the draft document  
The participation programme will make sufficient allowance for stakeholders to comment on documentation before finalisation by the IDP Steering Committee.
- Council Meeting for Approval  
Council meetings for the approval of the IDP will be open to the public.
- Availability of the IDP document to all stakeholders  
Copies of the final IDP document will be available to all stakeholders and communities.

## WARD COMMITTEES

The main objective of a ward committee is to enhance participatory democracy in Local Government. Ward Committees are one way in which one can have a say in government decisions. The key purposes of ward committees is to increase the participation of local residents in municipal decision-making as they are the direct link with the relevant council, they are representative of the local ward, and they should be involved in matters such as the integrated development plan, the annual municipal budget, council projects and key policies, as all these things impact on local people. See **Appendix E**.

Ward committees can identify and initiate projects to improve the lives of the people in the ward. They can support the councillor in dispute resolutions, providing information about municipal operations. They can monitor the performance of the municipality and raise issues of concern to the local ward and they can assist with community awareness campaigns on issues such as solid waste, water and sanitation, payment of fees and charges as members know their local communities and what Council needs.

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PUBLIC MEETINGS						
Nature and purpose of meeting	Date of Events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community Members Attending	Issue Addressed (Yes/No)	Dates and Manner of Feedback given to Community
Public Protector	02/08/12	63	12	786	Yes	Still awaiting finalisation of the report from the Office of the Public Protector
<b>Public Hearings:</b> ▶ Public Hearing – National Environmental Management Laws Amendment Bill ▶ Public Participation – Further Education & Training Amendment Bill ▶ Public Participation – Spatial Planning & Land Use Management Bill ▶ Public Hearing – Development of Public Participation Framework	08/03/13 24/10/12 23/04/12 16/10/12	0 1 1 0	7 8 8 14	60 120 120 220	Yes Yes Yes Yes	Feedbacks are done by MPs and MPLs through Local Parliamentary Liaison Offices  * Feedbacks through community mass meetings
▶ Public Participation on the annual report 2011/12	12/03/13	12	14	723	Yes	
<b>Budget Consultations:</b> ▶ Klerksdorp ▶ Alabama ▶ Kanana ▶ Tigane ▶ Stilfontein ▶ Khuma ▶ Orkney ▶ Jouberton	08/04/13 09/04/13 09/04/13 10/04/13 10/04/13 11/04/13 11/04/13 12/04/13	6 8 5 4 8 4 4 12	6 6 6 6 6 6 6 6	82 200 230 190 46 340 24 489	Yes Yes Yes Yes Yes Yes Yes Yes	Feedbacks were done through monthly mass meetings

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<b>Operation Patela / Pimpa:</b>						
▶ Kanana – Mokati Hall	06/03/13	4	7	200	Yes	Feedbacks on issues discussed were done through monthly community mass meetings by Ward Councillors
▶ Kanana – Mahlaleng Public School	07/03/13	3	7	120	Yes	
▶ Jouberton Hall	08/03/13	8	7	320	Yes	
<b>Operation Phakama:</b>						
▶ Alabama hall	13/03/13	1	1	100	Yes	Feedbacks were given in monthly meetings and during budget consultations
▶ Mokati hall	03/04/13	1	1	250	Yes	
▶ Tigane hall	09/04/13	1	1	180	Yes	
▶ Khuma hall	09/04/13	1	1	200	Yes	
▶ Jouberton hall	05/04/13 & 10/04/13	1 Only Ward Councillor	1 Only the CLO	300	Yes	

## COMMENT ON THE EFFECTIVENESS OF PUBLIC MEETINGS HELD

The City of Matlosana established Ward Committees in all the 35 wards to enhance public participation and accountability. These structures are a mechanism that the municipality uses to disseminate information and address the challenges of the communities in an effective manner. The Ward Mass Meetings held as well as imbizos also provide a platform for effective interaction and accountability for Council and the community.

Council benefits positively from the above systems in that consultation is done with the broader community of Matlosana on matters of service delivery.

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP PARTICIPATION AND ALIGNMENT CRITERIA*	YES/NO
Does the municipality have impact, outcome, input and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they be calculated into a score?	Yes
Is the budget aligned directly with the KPIs in the strategic plan?	Yes
Do the IDP KPIs align with the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four aligned quarterly reports submitted within the stipulated time frames?	Yes
* Section 26 of the Local Government: Municipal Systems Act 32 of 2000, as amended	

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## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

The scope of corporate governance includes political, administrative, inter-governmental governance and public accountability and participation to ensure that the municipality is managed to the desired requirements of the community and within the rules, processes and laws by which the municipality operates and is regulated and controlled.

The national and provincial outcomes for local government can be seen in **Appendix N**.

### 2.6 RISK MANAGEMENT

#### INTRODUCTION TO RISK MANAGEMENT

Every entity faces risks and as stated in the MFMA section 62 (i)(c) "A municipality should have and maintain an effective, efficient and transparent system of risk management". It is therefore an obligation of every municipality to ensure proper facilitation of risk management.

Effective risk management allows a municipality to:

- ▶ Have increased confidence in achieving the municipal priorities and outcomes
- ▶ Constrain threats to avoidable risks
- ▶ Take informed decisions about exploiting opportunities
- ▶ Ensure that the right balance is struck between risks and rewards
- ▶ Improve working partnership arrangements and corporate governance
- ▶ Ensure ultimately that the municipality maximises its opportunities and minimises the impact of the risks it faces, thereby improving the ability to deliver good services to the community at large

#### TOP FIVE RISKS FOR 2012/13 IN MATLOSANA

- ▶ Non-completion of capital projects
- ▶ Failure to maintain and repair vehicles and equipment in time
- ▶ Escalation of outstanding debt of Council
- ▶ Poor monitoring and control of projects funded by the municipality (e.g. bursaries offered to student, funds offered to community members to start businesses)
- ▶ Vandalism to facilities in the KOSH area

# Chapter 2

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## 2.7 FRAUD AND ANTI-CORRUPTION

### FRAUD AND ANTI-CORRUPTION STRATEGY

Fraud and corruption prevention is one of the key performance areas in the division of Risk Management. Currently, the responsibility of combating fraud and corruption is at a development stage since the Fraud Prevention Plan, Fraud Prevention Strategy and other policies to govern are at a draft stage. Policies are still to be circulated for inputs and presented at a council workshop before approval.

All incidents relating to fraud and corruption must be reported directly to the Municipal Manager or if deemed necessary, to Council. It is an objective of the unit to ensure that fraud and corruption are eliminated and proper measures are developed to prevent possibilities of recurrence in future.

The Risk Management Unit reports quarterly to the Audit Committee and it is the responsibility of the risk officers to implement the inputs and advice of this committee.

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW OF SUPPLY CHAIN MANAGEMENT

Supply Chain Management aims to support the strategic decision-making of the municipality, thereby ensuring effective and efficient service delivery to its internal and external clients, and it also aims to ensure that purchasing and procurement of goods and services are done according to prescribed legislation and the City of Matlosana's Supply Chain Management Policy.

## 2.9 BY-LAWS

### BY-LAWS INTRODUCED DURING 2012

NO new or amended by-laws were published during the 2012/2013 year.

### COMMENT ON BY-LAWS

Public participation with regard to a new or amended by-law is dealt with in accordance with section 12(3)(b) of the Local Government: Municipal Systems Act 32 of 2000, as amended, and are to be published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law. A by-law takes effect when published, or at a future date determined in or in terms of the by-law when published promptly in the Provincial Gazette and, when feasible, also in a local newspaper or in any other practical way to bring the contents of the by-law to the attention of the local community, in terms of section 13 of the Local Government: Municipal Systems Act 32 of 2000, as amended.

# Chapter 2

## 2.10 WEBSITES

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL			
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date	Link
Current annual and adjustments budgets and all budget-related documents	Yes	20/06/2013	<a href="http://matlosana.local.gov.za/finalbudget2013.html">http://matlosana.local.gov.za/finalbudget2013.html</a>
All current budget-related policies	Yes	20/06/2013	<a href="http://matlosana.local.gov.za/finalbudget2013.html">http://matlosana.local.gov.za/finalbudget2013.html</a>
The previous annual report (2011/12)	Yes	19/03/2013	<a href="http://matlosana.local.gov.za/AnnualReportss.html">http://matlosana.local.gov.za/AnnualReportss.html</a>
The annual report (2012/13) published / to be published	Yes		<a href="http://matlosana.local.gov.za/AnnualReportss.html">http://matlosana.local.gov.za/AnnualReportss.html</a>
All current performance agreements required in terms of section 57(1)(b) of the MSA (2012/13) and resulting scorecards	Yes	19/03/2013	To be published. Not Yet approved
All service delivery agreements (2012/13)			<a href="http://matlosana.local.gov.za/PerfomanceAgrments.html">http://matlosana.local.gov.za/PerfomanceAgrments.html</a>
All long-term borrowing contracts (2012/13)	Yes	19/03/2013	<a href="http://matlosana.local.gov.za/Liabilities.html">http://matlosana.local.gov.za/Liabilities.html</a>
All supply chain management contracts above a prescribed value (give value) for 2012/13	No		-
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2012/13	Yes		<a href="http://matlosana.local.gov.za/GGeneralNotices.html">http://matlosana.local.gov.za/GGeneralNotices.html</a>
Contracts agreed in 2012/13 to which subsection (1) of section 33 applies, subject to subsection (3) of that section	Yes		<a href="http://matlosana.local.gov.za/DBSAInformationStatement/info_statement.pdf">http://matlosana.local.gov.za/DBSAInformationStatement/info_statement.pdf</a>
Public-private partnership agreements referred to in section 120 made in 2012/13	No		<a href="http://matlosana.local.gov.za/GGeneralNotices.html">http://matlosana.local.gov.za/GGeneralNotices.html</a> <a href="http://matlosana.local.gov.za/DBSAInformationStatement/matlosana.pdf">http://matlosana.local.gov.za/DBSAInformationStatement/matlosana.pdf</a>
All quarterly reports tabled in the council in terms of section 52(d) during 2012/13	Yes	19/08/2013	<a href="http://matlosana.local.gov.za/BudgetquarterlyReportss.html">http://matlosana.local.gov.za/BudgetquarterlyReportss.html</a> Direct link to pages <a href="http://matlosana.local.gov.za/BudgetQuarterlyReports/Jan-March2013.pdf">http://matlosana.local.gov.za/BudgetQuarterlyReports/Jan-March2013.pdf</a> <a href="http://matlosana.local.gov.za/BudgetQuarterlyReports/Octo-Dece.pdf">http://matlosana.local.gov.za/BudgetQuarterlyReports/Octo-Dece.pdf</a> <a href="http://matlosana.local.gov.za/BudgetQuarterlyReports/July-Sep2012.pdf">http://matlosana.local.gov.za/BudgetQuarterlyReports/July-Sep2012.pdf</a>

# Chapter 2

## COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The City of Matlosana's website is in the first year of three stages of development. This requires stages of planning and implementation that the City of Matlosana will effect through a focused Website Development Project. The project is designed to place the municipal website at the transactional stage.

### 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

#### PUBLIC SATISFACTION LEVELS

In order to give effect to the provisions of the Municipal System Act, Act 32 of 2000 chapter 6 section 42 and chapter 8 section 73(2)(e), every Department has been issued with questionnaires for the public to evaluate and comment on the service rendered by the Municipality. These questionnaires will assist in improving and identifying areas which need to be improved and will also provide new ideas in order to improve performance by various municipal departments.

#### SURVEY SUMMARY TABLE

					
Department	No. of Questionnaires	Service Level 1	Service Level 2	Service Level 3	Remarks
Finance Klerksdorp	7	36	8	8	*Service is very slow *Delivering of rent statement not in time
Finance Jouberton	2	0	0	0	Poor service
Traffic	11	44	27	21	*Improve parking meters *Improve garden in front of the offices by removing dead plants and flowers
Corporate Services	9	67	6	4	Excellent service
Health	1	6	2	1	Good service
Klerksdorp library	6	44	0	8	Poor service
Stilfontein library	13	75	16	7	Excellent service
Khuma library	34	226	66	11	Poor service
Orkney pay point	1	1	0	1	Poor service
Orkney clinic	5	3	8	35	Very poor service
Orkney library	5	50	4		Excellent service; staff very friendly
Licensing	3	5	4	9	No remarks
Housing	2	2	0	15	Illegal occupation; lack of communication
Manzilpark library	3	27	0	0	Excellent service
Orkney pay point	1	1	0	1	Poor services
Jouberton Library	1	2	4	3	Not happy about services

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# Chapter 3

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

Service delivery in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B determines the functions of the municipality and therefore its responsibility towards the community. In terms of the IDP and the strategic objectives of the City of Matlosana, certain issues are set out to be achieved during the financial year.

The City of Matlosana set out to achieve the following:

- ❖ Ensuring that the residents of Matlosana have access to basic and essential services
- ❖ Ensuring that the city's resources and infrastructure are managed well
- ❖ Conserving and protecting the city's natural resources

The following have been achieved during the period 2012/13:

- ▶ 98,77% of households provided with access to basic water
- ▶ 97,80% of households provided with access to basic sanitation
- ▶ 97,81% of households provided with access to basic electricity
- ▶ 98,36% of households provided with access to basic refuse removal
- ▶ 100% of registered rural settlements earning less than R2,440 per month provided with access to free basic services
- ▶ Provided 44,569 approved households earning less than R2,440 per month (indigents) with free basic services
- ▶ Provided 20,050 approved rural settlements (indigents) with free basic alternative energy

The above-mentioned achievements are part of municipal functions, as in terms of the Constitution of the Republic of South Africa, Schedule 4, Part B *Functions*. See **Appendix D**.

**Appendix F** indicates the basic service provision.

### COMPONENT A: BASIC SERVICES

This component includes water; waste water (sanitation), electricity, waste management and human settlements; a summary of free basic services is also provided.

### INTRODUCTION TO BASIC SERVICES

The municipality does not make use of entities within the municipality to provide specific services.

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The following table sets out challenges that influence basic service provision standards:

BASIC SERVICE PROVISION	CHALLENGES
Water	<ul style="list-style-type: none"> <li>▶ Ageing infrastructure</li> <li>▶ Limited funding</li> <li>▶ Water losses</li> <li>▶ Mushrooming of informal settlements</li> </ul>
Refuse removal and solid waste disposal	<ul style="list-style-type: none"> <li>▶ Inadequate and inefficient vehicles for effective service delivery</li> <li>▶ Manpower</li> </ul>
Sanitation	<ul style="list-style-type: none"> <li>▶ Unnecessary drain blockages</li> <li>▶ Limited funding</li> <li>▶ Mushrooming of informal settlements</li> </ul>
Electricity	<ul style="list-style-type: none"> <li>▶ Ageing infrastructure</li> <li>▶ Limited funding</li> <li>▶ Electricity losses</li> <li>▶ Illegal connections</li> <li>▶ Mushrooming of informal settlements</li> </ul>
Roads and storm-water drainage	<ul style="list-style-type: none"> <li>▶ Ageing infrastructure</li> <li>▶ Limited funding</li> <li>▶ Theft of drain covers</li> </ul>
Housing	<ul style="list-style-type: none"> <li>▶ Illegal housing occupations</li> <li>▶ Illegal settlements</li> <li>▶ Housing accreditation</li> <li>▶ Mushrooming of informal settlements</li> </ul>

## DEFINITION OF A HOUSEHOLD / HOUSING UNIT

Household: A *household* consists of a person, or a group of persons, who occupy a common dwelling (or part of it) for at least four days a week and who provide themselves jointly with food and other essentials for living. In other words, they live together as a unit. People who occupy the same dwelling but who do not share food or other essentials were counted as separate households during the 2011 census. For example, people who shared a dwelling but who bought food and ate separately were counted as separate households.

Visitors, both foreign and South African, as well as boarders who stayed with a household on census night, 9 October 2011, were counted as part of that household. People who were absent on census night, but were not counted elsewhere (either because they were working, travelling, at a church vigil, at an entertainment centre, and so on), and returned to the household on Tuesday, 10 October, were counted as part of the household. Live-in domestic workers and live-in employees were regarded as separate households (Statistics South Africa, Census 2011).

Housing Unit: A *housing unit* is a unit of accommodation for a household, which may consist of one structure or more than one structure, or may be part of a structure. Examples of each are a house, a group of rondavels and a flat. In informal areas and overcrowded conditions a housing unit may house more than one household.

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The types of living quarters classified as housing units are as follows: -

- ▶ House or brick structure on a separate stand or yard
- ▶ Traditional dwelling / hut / structure made of traditional materials
- ▶ Flat in block of flats
- ▶ Town / cluster / semi-detached house (simplex, duplex, triplex)
- ▶ House / flat / room in back yard
- ▶ Informal dwelling / shack in back yard or not in back yard, e.g. in an informal / squatter settlement
- ▶ Room / flat that is let, not in a back yard but on a shared property
- ▶ Caravan or tent
- ▶ Private ship / boat

(Statistics South Africa, Census 2011)

## DEFINITION OF AN INFORMAL SETTLEMENT

Informal settlements are groups of people living on land to which they have no legal claim. It is also known as an unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings. Informal settlements are also referred to as squatter settlements, slums or a shanty towns (Statistics South Africa, Census 2011).

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

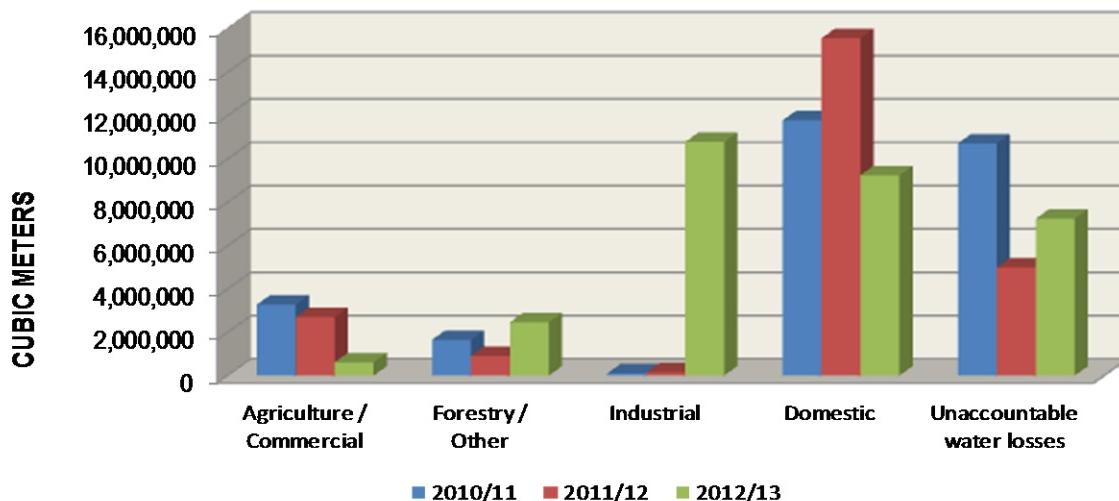
One of the major goals of the South African Government is to ensure access to safe and reliable water services for all communities. Regardless of the raw water sources, with adequate treatment infrastructure and optimal treatment processes safe and reliable drinking water services can be provided to consumers, although unexpected incidents may disrupt water supplies. Natural disasters such as floods and man-made incidents may significantly disrupt and impact on the quality of water services, thus posing a significant health risk to consumers.

The Water Services Act 108 of 1997, section 5(4)) states that in emergency situations, a Water Service Authority (WSA) must take reasonable steps to provide a basic water supply to any person within its area of jurisdiction and may do so at the cost of the authority.

TOTAL USE OF WATER BY SECTOR (CUBIC METRES)					
Year	Agriculture / Commercial	Forestry / Other	Industrial	Domestic	Unaccountable Water Losses
2010/11	3 275 668	1 650 311	104 386	11 776 020	10 710 661
2011/12	2 700 077	913 293	142 921	15 566 012	4 996 501
2012/13	616 153	2 464 611	10 782 674	9 242 292	7 239 795

# Chapter 3

## TOTAL USE OF WATER BY SECTOR



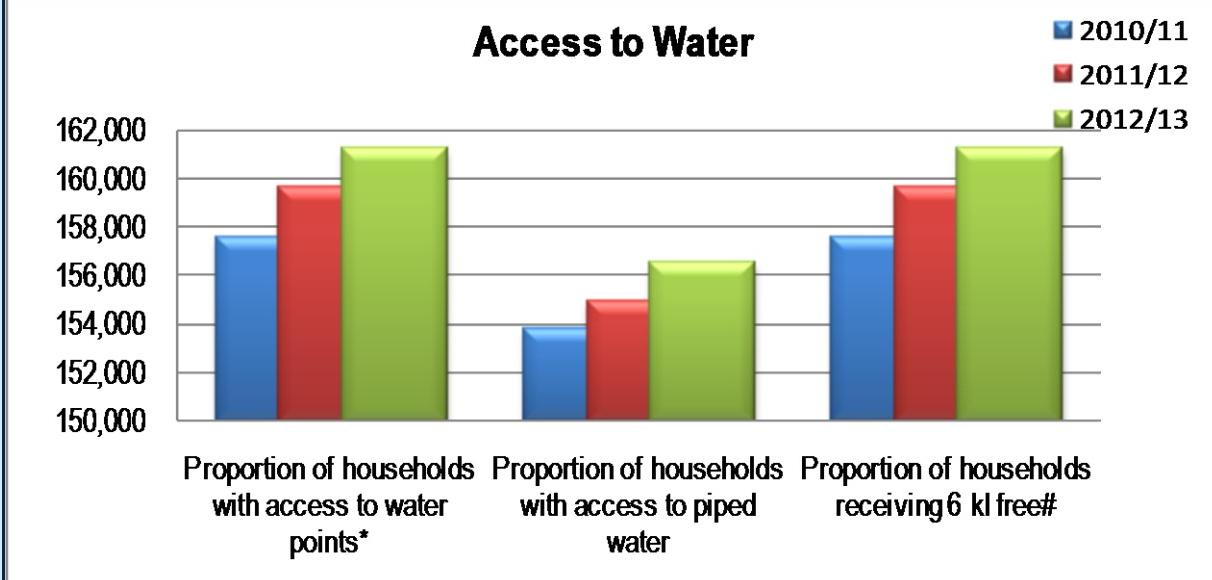
### COMMENT ON WATER USE BY SECTOR

The Water section has the following challenges:

- ▶ Delays in the process of staff recruitment pose a major challenge
- ▶ Overtime allowance increases as filling of posts is delayed
- ▶ Old water infrastructure
- ▶ The Water Section is experiencing maintenance staff shortages, e.g. in Klerksdorp and Jouberton, where there are three teams instead of nine and two teams instead of five respectively
- ▶ A breakdown of staff shortages is listed under personnel
- ▶ Some complaints are received by the call centre at the Fire Department and do not make their way to the Water Section, therefore the Department will always receive complaints of slow response time. The most critical challenge is the shortage of personnel and procurement of resources
- ▶ Distribution losses (water losses due to a worn-out network)
- ▶ Minimised budget and problems with payment of service providers
- ▶ Upgrading of old distribution network
- ▶ Supply chain processes (to procure services)

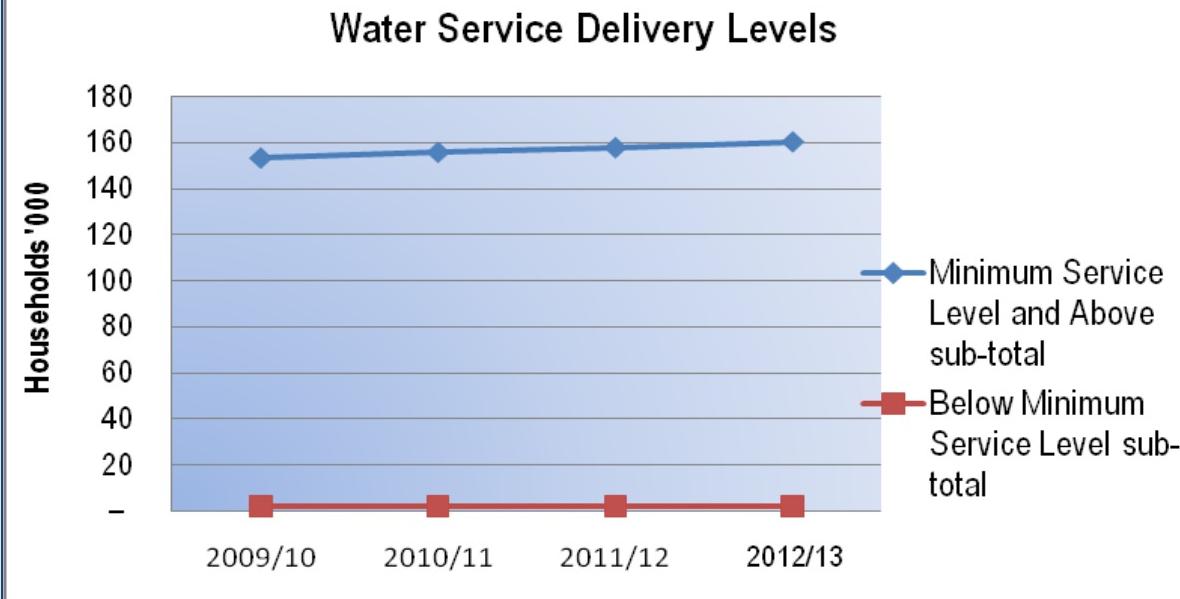
ACCESS TO WATER			
Year	Proportion of households with access to water points	Proportion of households with access to piped water	Proportion of households receiving 6 kℓ free#
2010/11	157 615	153 843	157 615
2011/12	159 680	154 985	159 680
2012/13	162 335	156 671	162 335

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Description	Households			
	2009/10	2010/11	2011/12	2012/13
	Actual	Actual	Actual	Actual
No.				
<b><u>Water: (above min. level)</u></b>				
Piped water inside dwelling	126 765	126 968	127 976	128 685
Piped water inside yard (but not in dwelling)	24 659	26 875	27 009	27 986
Using public tap (within 200 m from dwelling )	1 845	1 927	2 850	3 678
Other water supply (within 200 m)	-	-	-	-
<i>Minimum service level and above – subtotal</i>	153 269	155 770	157 835	<b>160 349</b>
<i>Minimum service level and above – percentage</i>	99%	99%	99%	<b>99%</b>
<b><u>Water: (below min. level)</u></b>				
Using public tap (more than 200 m from dwelling)	1 845	1 845	1 845	1 986
Other water supply (more than 200 m from dwelling)	-	-	-	0
No water supply	-	-	-	0
<i>Below minimum service level – subtotal</i>	1 845	1 845	1 845	<b>1 986</b>
<i>Below minimum service level – percentage</i>	1%	1%	1%	<b>1%</b>
<b>Total number of households*</b>	<b>155 114</b>	<b>157 615</b>	<b>159 680</b>	<b>162 335</b>

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Description	HOUSEHOLDS - WATER SERVICE DELIVERY LEVELS BELOW THE MINIMUM					
	2009/10	2010/11	2011/12	2012/13		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
No.						
<b>Formal Settlements</b>						
Total households	155 114	155 770	157 835	157 835	157 835	158 504
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
<b>Informal Settlements</b>						
Total households	1 845	1 845	1 845	3 831	3 831	3 831
Households below minimum service level	1 845	1 845	1 845	1 986	1 986	1 986
Proportion of households below minimum service level	100%	100%	100%	52%	52%	52%

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## EMPLOYEE INFORMATION

EMPLOYEES: WATER SERVICES						
Job Level	2011/12		2012/13			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %	
0 – 3	1	1	1	0	0%	
4 – 6	3	3	3	0	0%	
7 – 9	6	7	6	1	14%	
10 – 12	13	16	13	3	19%	
13 – 15	0	0	0	0	0%	
16 – 18	31	36	31	5	14%	
19 – 20	62	62	61	1	2%	
Total	116	125	115	10	8%	

FINANCIAL PERFORMANCE 2012/13: WATER SERVICES					
Details	2011/12		2012/13		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	165 238	269 916	295 906	241 834	-12%
Expenditure:					
Employees	19 039	19 798	19 707	20 545	4%
Repairs and maintenance	5 016	10 492	9 157	7 198	-46%
Other	186 114	213 399	207 767	193 572	-10%
Total operational expenditure	210 169	243 692	236 633	221 315	-10%
Net operational expenditure	44 931	26 224	59 273	20 519	-28%

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 170 – 172)

WATER SERVICE POLICY OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	Target
				Original Target	Adjusted Target		
To improve bulk water supply in Khuma to ensure a basic water service	Bulk water supply improved with a new 10 Mℓ reservoir for Khuma proper (Phase 2)	Supplying bulk water pressure tower (approx.10.8 m) Khuma proper (Phase 2) at a cost of R636 290 by March 2012	98% Completion R636 290	Improving bulk water supply with a new 10 Mℓ reservoir for Khuma proper (Phase 3) at a cost of R7 500 000 and R4 000 000 (counter-funding) by June 2013	R7 500 000 (CC98/2012 dated 21/08/2012)	Construction 2,5 m height – 10 Mℓ reservoir completed. R 7 281 113	N/A
To supply water to rural schools and clinics to improve service delivery in rural settlements	Water supplied to four rural schools and two clinics as per programme in the KOSH area	-	-	Supplying water to four rural schools and two clinics as per programme in the KOSH area at a cost of R2 000 000 by June 2013	N/A	Construction stage. R0	Supplying water to four rural schools and two clinics as per programme in the KOSH area at a cost of R2,000,000 by June 2014
To increase capacity of the zinc tank in Tigane ext 4 to meet community demand	Increase megalitre capacity of the current zinc tank in Tigane ext 4	Increasing the capacity of the current 0,25 Mℓ zinc tank in Tigane ext 4 to a 0,5 Mℓ zinc tank at a cost of R1 440 960 (CC 12/2012) by June 2012	Not yet R0.00	Increasing the capacity of the current 0,25 Mℓ zinc tank in Tigane ext 4 to a 0,5 Mℓ zinc tank at a cost of R1 440 960 by December 2012	R1 402 860 June 2013 (CC 98/2012 dated 21/08/2012)	Contractor on site. Construction stage. R0	Increasing the capacity of the current 0,25 Mℓ zinc tank in Tigane ext 4 to a 0,5 Mℓ zinc tank at a cost of R1 402 860 by June 2014

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Capital Projects	CAPITAL EXPENDITURE 2012/13: WATER SERVICES					R' 000	
	2012/13						
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value		
Total All	785	0	700	-12%			
Replacing a minimum of 4 bulk water meters greater than 50 mm in the KOSH area by June 2013	130	0	130	0%	11 992		
Refurbishing a minimum of 1,5 Kilometres of water network in the KOSH area by June 2013	370	0	325	-14%	3 000		
Replacing a minimum of 57 valves in the KOSH area by June 2013	285	0	245	-16%	1 346		

## COMMENTS ON THE PERFORMANCE OF WATER SERVICES OVERALL

Due to financial difficulty, it was almost impossible to meet performance targets.

In order to address all the incomplete and “on-hold” projects, steps need to be implemented to ensure forward movement.

## NATIONAL KEY PERFORMANCE INDICATOR

See pages 143 – 144 for details.

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

The objective of sanitation is:

- ▶ To fill vacant positions in order to ensure sufficient maintenance teams for the maintenance of sewer networks and the proper day-to-day running of the waste water treatment plants, thus rendering an effective service to the community.
- ▶ To complete the increase in capacity of the Hartbeesfontein waste water treatment plant to ensure that more development of the Hartbeesfontein town can take place owing to the upgraded waste water treatment plant.

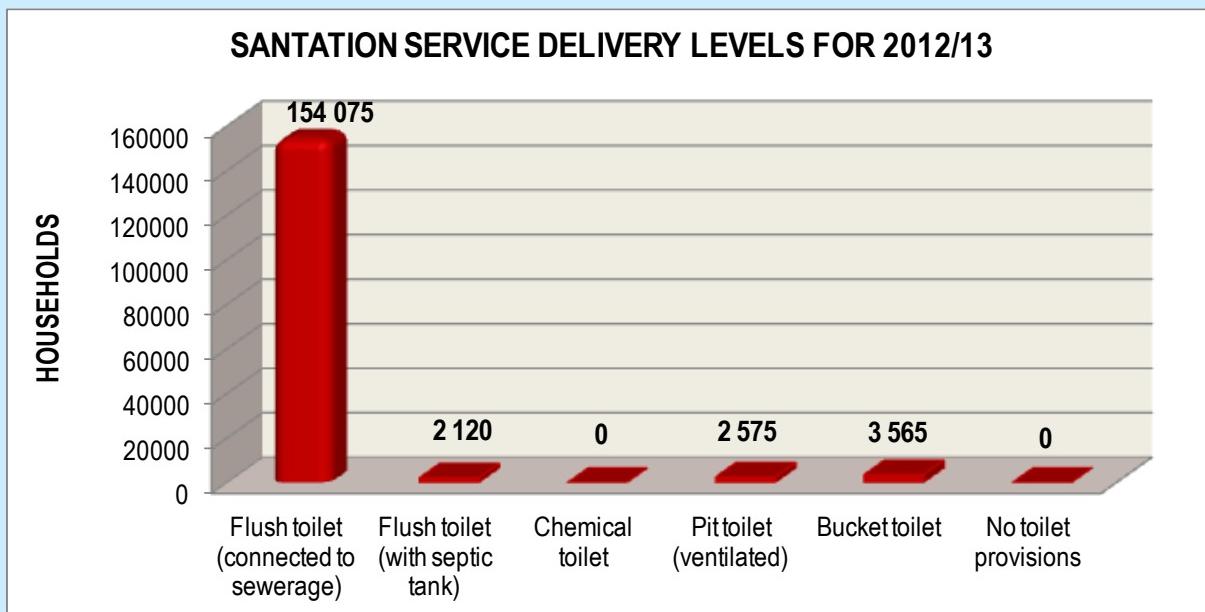
### MEASURES TAKEN TO IMPROVE PERFORMANCE

Through IDP processes all communities are involved to voice their needs to the municipal officials and councillors. The section's provision of service is aimed at ensuring proper rendering of sanitation services while simultaneously preventing environmental pollution caused by poor sanitation services.

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## ACHIEVEMENTS

The milestone for the year was to be one of the top municipalities in terms of progress in achieving green drop status.



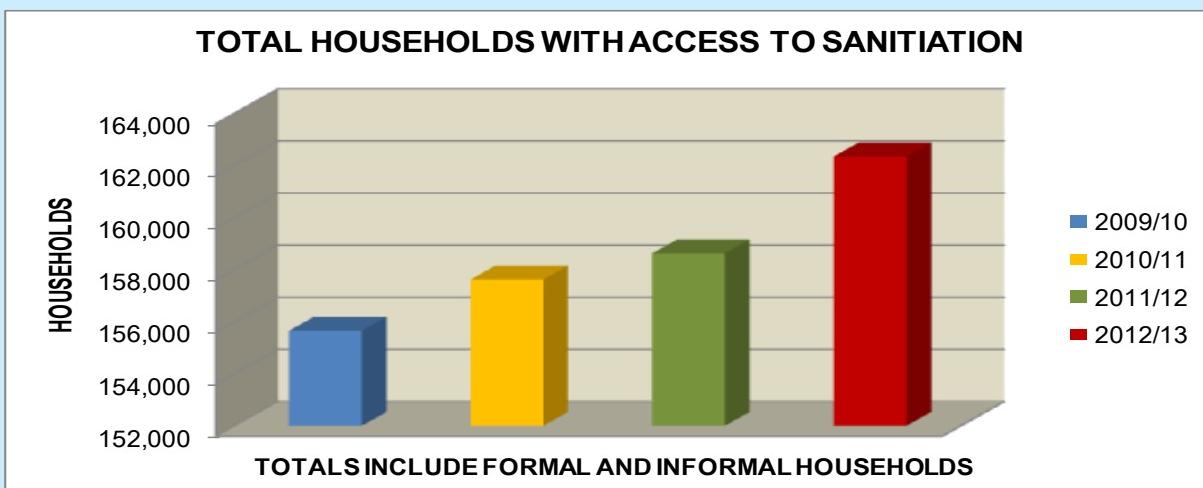
Description	*HOUSEHOLDS			
	2009/10 Outcome No.	2010/11 Outcome No.	2011/12 Outcome No.	2012/13 Actual No.
<b>Sanitation/sewage: (above minimum level)</b>				
Flush toilet (connected to sewerage)	152 151	152 920	153 920	154 075
Flush toilet (with septic tank)	2 120	2 120	2 120	2 120
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	2 175	2 575	2 575	2 575
Other toilet provisions (above minimum service level)				
<i>Minimum service level and above – subtotal</i>	<b>156 446</b>	<b>157 615</b>	<b>158 615</b>	<b>158 770</b>
<i>Minimum service level and above – percentage</i>	<b>99,1%</b>	<b>99,3%</b>	<b>99,3%</b>	<b>97,8%</b>
<b>Sanitation/sewage: (below minimum level)</b>				
Bucket toilet	1 380	1 065	1 065	3 565
Other toilet provisions (below minimum service level)	0	0	0	0
No toilet provisions	0	0	0	0
<i>Below minimum service level – subtotal</i>	<b>1 380</b>	<b>1 065</b>	<b>1 065</b>	<b>3 565</b>
<i>Below minimum service level – percentage</i>	<b>0,9%</b>	<b>0,7%</b>	<b>0,7%</b>	<b>2,2%</b>
<b>Total households</b>	<b>157 826</b>	<b>158 680</b>	<b>159 680</b>	<b>162 335</b>

\*Total number of households including informal settlements

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Description	Households					
	2009/10	2010/11	2011/12	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	154 271	155 040	156 040	157 105	157 105	159 760
Households below minimum service level	1 380	1 065	1 065	1 065	1 065	3 565
Proportion of households below minimum service level	1%	1%	1%	1%	1%	2%
<b>Informal Settlements</b>						
Total households	1 380	2 575	2 575	2 575	2 575	2 575
Households below minimum service level	1 380	2 575	2 575	2 575	2 575	2 575
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%



# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: SANITATION SERVICES						
Job Level	2011/12	2012/13				
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %	
0 – 3	1	1	1	0	0%	
4 – 6	3	3	3	0	0%	
7 – 9	6	7	6	1	14%	
10 – 12	21	21	20	1	5%	
13 – 15	9	7	7	0	0%	
16 – 18	47	46	43	3	7%	
19 – 20	88	85	84	1	1%	
<b>Total</b>	<b>175</b>	<b>170</b>	<b>164</b>	<b>6</b>	<b>4%</b>	

FINANCIAL PERFORMANCE 2012/13: SANITATION SERVICES					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	49 199	109 939	109 497	112 813	3%
Expenditure:					
Employees	24 476	24 211	24 988	26 839	10%
Repairs and maintenance	3 066	4 160	4 159	3 144	-32%
Other	22 037	56 936	53 868	74 582	24%
<b>Total operational expenditure</b>	<b>49 579</b>	<b>85 307</b>	<b>83 016</b>	<b>104 565</b>	<b>18%</b>
Net operational expenditure	(380)	24 632	26 481	8 248	-199%

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENTS ON THE PERFORMANCE OF SANITATION SERVICES OVERALL

Owing to the reduced budget only three of our four capital projects on the three year plan can be attained within the approved budget plan. Completion of the increased capacity project at the Hartbeesfontein WWTP is due by November 2013.

## NATIONAL KEY PERFORMANCE INDICATOR

See pages 142 – 143 for details.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 173 – 174)

SANITATION OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Original Target	Adjusted Target	Actual	Target
To increase the holding capacity at the WWTP at Hartbeesfontein to ensure the effluent standards meet the requirements	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 1) – Civil Works	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 1) from 4 Mℓ to 8 Mℓ /day at a cost of R20 000 000 (CC 12/2012) by June 2012	Civil works 69% completed R8 655 765	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 1) civil works from 4 Mℓ to 8 Mℓ /day at a cost of R13 459 186 by September 2012	R9 438 811 by June 2013 (CC 98/2012 dated 21/08/2012)	98% progress on civil works. R4,675,547	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 1) civil works from 4 Mℓ to 8 Mℓ /day at a cost of R9 438 811 by September 2013
	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 1) – Mechanical Works	-	-	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 1) Mechanical works from 4 Mℓ to 8 Mℓ/day at a cost of R14 392 332 by March 2013	June 2013 (CC 8/2013 dated 31/01/2013)	Project 90% completed. R14 348 726	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 1) mechanical works from 4 Mℓ to 8 Mℓ/day at a cost of R3 180 000 by September 2013
	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 2)	-	-	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 2) mechanical and electrical works as per tender document (counter funding) from 4 Mℓ to 8 Mℓ/day at a cost of R5 292 306 and R7 500 000 by March 2013	R0 (CC25/2013 dated 28/02/2013)	Project 90% completed. R 4 733 167	Increasing the holding capacity at the Hartbeesfontein WWTP (Phase 2) mechanical and electrical works as per tender document (counter funding) from 4 Mℓ to 8 Mℓ /day at a cost of R7 500 000 by September 2013

# Chapter 3

## 3.3 ELECTRICITY PROVISION

### INTRODUCTION TO ELECTRICITY PROVISION

The City of Matlosana has two licensed distributors of electricity within its jurisdiction, namely Eskom and the City of Matlosana. Eskom provides electricity to most township households, namely Kanana, Tigane, Khuma and private farms. The City of Matlosana provides electricity to the towns of Klerksdorp, Stilfontein, Hartbeesfontein, Orkney and the township of Jouberton, Alabama and Manzilpark.

Currently the provision of basic electricity at household level in both licensed areas is done on an annual basis with funding from the Department of Energy through the Integrated National Electrification Programme (INEP). Through this programme the City of Matlosana has electrified households that are proclaimed as residential with 85% progress in the case of houses with access by the end of 2012. This allowed the municipality to provide electricity to most indigent households.

### PROVISION OF ELECTRICITY BY 2014:

- ▶ Provide electricity to the HDIs in all the townships within the municipality
- ▶ Provide electricity to farm dweller households
- ▶ Provide basic electricity to HDIs in rural settlement communities

The major impact of meeting priorities was the provision of electricity to 2 180 households in townships as well as provision of basic electricity to 10 farm dweller households.

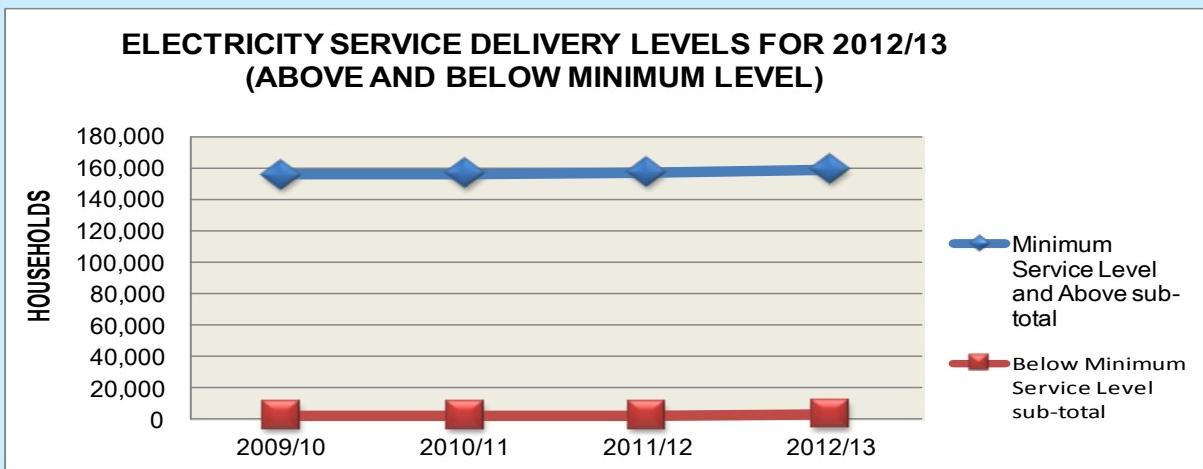
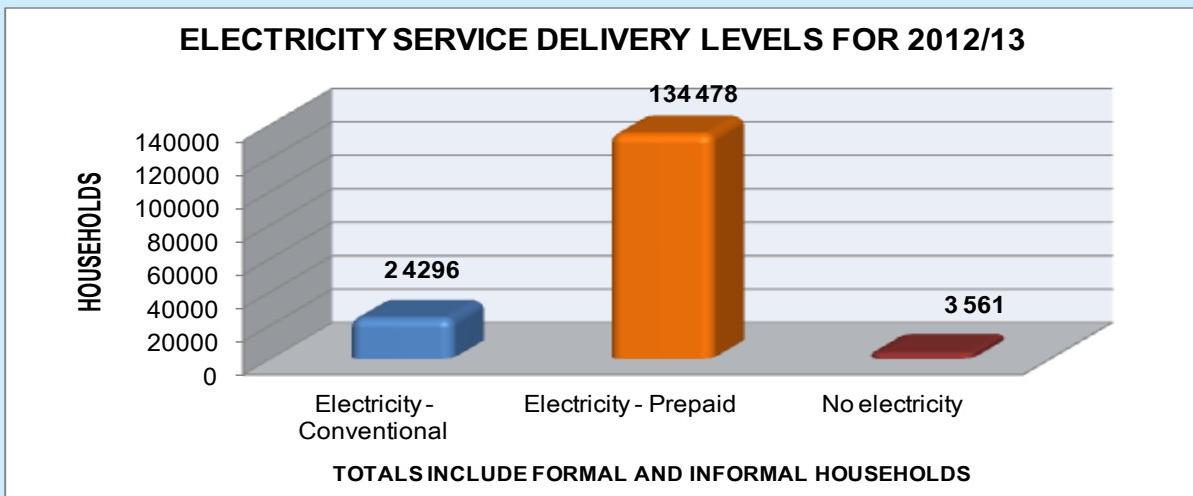
To ensure improved performance, a maintenance plan for electricity infrastructure has been developed .A major success was that it led to reduced power interruptions/outages and prolonged the useful life of infrastructure. The major challenges are the ageing infrastructure, the limited funding available for refurbishment of the electricity infrastructure and the capacity constraints on the grid to meet the growing demand of business and residential developments.

The municipality put in place an alternative energy programme based on paraffin to address the challenge of poor communities that are not connected to the electricity grid.

There is no municipal entity responsible for rendering electricity services within the municipality.

# Chapter 3

Description	ELECTRICITY SERVICE DELIVERY LEVELS			
	Households			
	2009/10 Actual No.	2010/11 Actual No.	2011/12 Actual No.	2012/13 Actual No.
<b>Energy: (above minimum level)</b>				
Electricity (at least minimum service level)	21 944	22 013	22 052	24 296
Electricity – prepaid (minimum service level)	133 496	134 239	134 478	134 478
Electricity – other (minimum service level)	0	0	785	0
Minimum service level and above – subtotal	155 440	156 252	157 315	158 774
Minimum service level and above – percentage	98,5%	98,5%	98,5%	97,8%
<b>Energy: (below minimum level)</b>				
Electricity (<minimum service level)	2 365	2 365	2 365	3 561
Below minimum service level – subtotal	2 365	2 365	2 365	3 561
Below minimum service level – percentage	1,5%	1,5%	1,5%	2,2%
<b>Total number of households</b>	<b>157 805</b>	<b>158 617</b>	<b>159 680</b>	<b>162 335</b>



# Chapter 3

Households - Electricity Service Delivery Levels Below the Minimum						
Description	Households					
	2009/10	2010/11	2011/12	2012/13		
Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.	
<b>Formal Settlements</b>						
Total households	155 440	156 252	159 042	157 001	157 001	158 774
Households below minimum service level	1 763	1 412	0	1 210	1 210	0
Proportion of households below minimum service level	1,13%	0,90%	0,00%	0,77%	0,77%	0,00%
<b>Informal Settlements</b>						
Total households	2 365	2 365	1 894	1 940	1 940	3 561
Households below minimum service level	602	953	1 109	1 109	1 109	1 981
Proportion of households below minimum service level	25%	40%	59%	57%	57%	55.63%

## SERVICE DELIVERY STATISTICS

DETAIL	2010/11	2011/12	2012/13
<b>Complaints Office</b>			
▶ Streetlight complaints received	4 426	6 236	4 175
▶ LV service connections complaints received	10 549	11 944	9 154
▶ High mast light complaints received	---	---	161
<b>Planning</b>			
▶ Request for electrical supply	446	94	102
▶ Connections made	386	84	29
▶ Business licence inspections	110	414	559
▶ Electrical installation inspections	142	98	54
▶ Meter tampering investigations carried out	123	460	468
▶ Meter tampering fines issued	---	---	245
<b>Electrical Distribution</b>			
▶ Robot repairs	268	126	85
▶ Airport lights repaired	---	---	51
▶ High mast lights repaired	---	---	130
▶ Streetlights repaired	4 732	5 914	3 149
▶ LV service connections repaired	---	---	8 989
<b>Fleet Maintenance</b>			
▶ Number of vehicles serviced	1 152	1 044	621
▶ Number of other equipment repaired	198	123	112

# Chapter 3

Mechanical Workshop				
▶ Water pumps repaired		191	249	101
▶ Sewerage pumps repaired		378	681	258
▶ Hydraulic systems repaired		---	---	37
▶ Welding works done		---	---	178

## EMPLOYEE INFORMATION

EMPLOYEES: ELECTRICAL AND MECHANICAL SERVICES						
Job Level	2011/12		2012/13			Vacancies (as % of total posts) %
	Employees	Posts	Employees	Vacancies	No.	
No.	No.	No.	No.	No.	No.	%
0 – 3	3	4	3	1	1	25%
4 – 6	11	11	10	1	1	9%
7 – 9	35	47	40	7	7	15%
10 – 12	12	13	10	3	3	23%
13 – 15	6	8	8	0	0	0%
16 – 18	31	31	27	4	4	13%
19 – 20	37	37	32	5	5	14%
Total	135	151	130	21	21	14%

FINANCIAL PERFORMANCE 2012/13: ELECTRICAL AND MECHANICAL SERVICES						
Details	R'000					
	2011/12	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	419 890	542 322	543 281	500 828	500 828	8.29%
Expenditure:						
Employees	20 686	29 862	31 117	31 113	31 113	4.02%
Repairs and maintenance	10 731	21 460	17 684	12 742	12 742	68.42%
Other	394 491	488 876	464 895	510 842	510 842	4.30%
Total operational expenditure	425 908	508 221	513 696	554 697	554 697	8.38%
Net operational expenditure	(6 018)	34 101	29 585	(53 869)	(53 869)	163.30%

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## NATIONAL KEY PERFORMANCE INDICATOR

See page 144 – 145 for details.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 175/179)

ELECTRICAL OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	Target
				Original Target	Adjusted Target		
To electrify Jouberton Ext 24 to ensure a basic level of electricity	Number of houses in Jouberton Ext 24 (Phase 2) electrified	Electrification of 829 houses in Jouberton Ext 24 (Phase 2 top-up funds) at a cost of R8 719 000 by June 2012	Network to connect 829 houses completed at an expenditure of R2 450 505	Electrification of 1 192 houses in Jouberton Ext 24 (ward 12) (Phase 2) at a cost of R8 719 000 by June 2013	R8 460 922 (CC 98/2012 dated 21/08/2012)	1 192 houses connected – project completed. R8 149 292	Electrification of nine houses in Jouberton Ext 24 (ward 12) (Phase 3) at a cost of R87 000 by September 2013
To install high mast lights to improve service delivery	High mast lights installed in Kanana (Phase 5)	Installing 20 high mast lights in Kanana (phase 4) at a cost of R2 000 000 (Revised – CC 12/2012) by June 2012	Contractor busy with construction	Installing eight high mast lights in Kanana (ward 22 – 26) (phase 5) at a cost of R2 000 000 by June 2013	N/A	Eight high mast lights erected. Electrical reticulation and commissioning R759 187	Installing nine high mast lights in Kanana (ward 22 – 26) (phase 6) at a cost of R2 500 000 by June 2014
To install high mast lights to improve service delivery	High mast lights installed in Alabama Ext 3 (Phase 1)	-	-	Installing eight high mast lights in Alabama Ext 3 (ward 4) (phase 1) at a cost of R2 000 000 by June 2013	N/A	Eight high mast lights erected. Electrical reticulation and commissioning. R1 509 424	N/A
To upgrade Jouberton main substation to ensure an adequate supply of electricity	Jouberton main substation upgraded	-	-	Upgrading of Jouberton main substation building with a 68 m <sup>2</sup> extension and additional 2 x 11 kV panels in the amount of R1 320 000 by June 2013	N/A	Busy with manufacturing of equipment. Project 98% completed. R686 079	Upgrading of Jouberton main substation building with a 68 m <sup>2</sup> extension and additional 2 x 11 kV panels in the amount of R1 320 000 by September 2013

# Chapter 3

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

Major projects in the IDP are the electrification of townships, namely Khuma Ext. 10, Alabama Ext. 4, Tigane Ext. 5 and the rural areas (Jakaranda CPA, Brakspruit CPA), which are multi-year projects.

The agreement with Eskom is to apply to the Department of Energy for funding for areas of the municipality within their electricity licensed areas and that the confirmation of approved projects prior to construction is forwarded to the municipality for Council approval.

Due to an increasing cost of material which is influenced by the performance of the economy, the cost of implementing the approved projects in the current financial year has risen by more than 50% over the previous year. The conditional grants to the municipality for electrification projects are only subsidies and municipalities are expected to provide top-up funding to cover the total costs. This will create a huge variance in the case of future projects and impact on the ability of the municipality and Eskom to complete the projects successfully.

Despite limited funding the Directorate has been able to ensure that 93% of the total households have access to electricity and that the continuous high quality of supply of electricity is maintained despite the challenge of ageing infrastructure.

## 3.4 WASTE MANAGEMENT

### INTRODUCTION TO WASTE MANAGEMENT

The Cleansing Section's function is to provide an acceptable, affordable and sustainable cleansing service to all the residents of Matlosana.

Description of the activity:

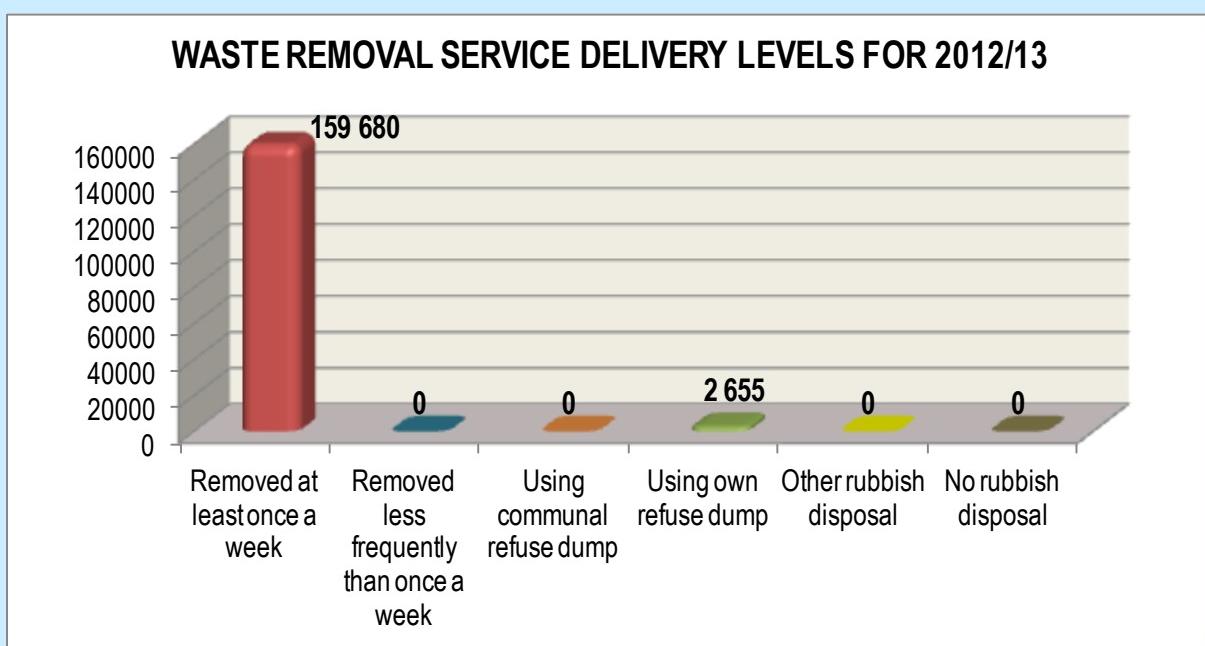
- ▶ Refuse removal
- ▶ Night soil removal
- ▶ Litter collection
- ▶ Vacuum tanks
- ▶ Public toilets
- ▶ Additional refuse
- ▶ Administration and support system

Strategic objectives:

- ▶ To render a uniform cleansing service to all communities
- ▶ To implement an effective and sustainable recycling system in Matlosana
- ▶ To exercise law enforcement to eliminate illegal dumping in Matlosana

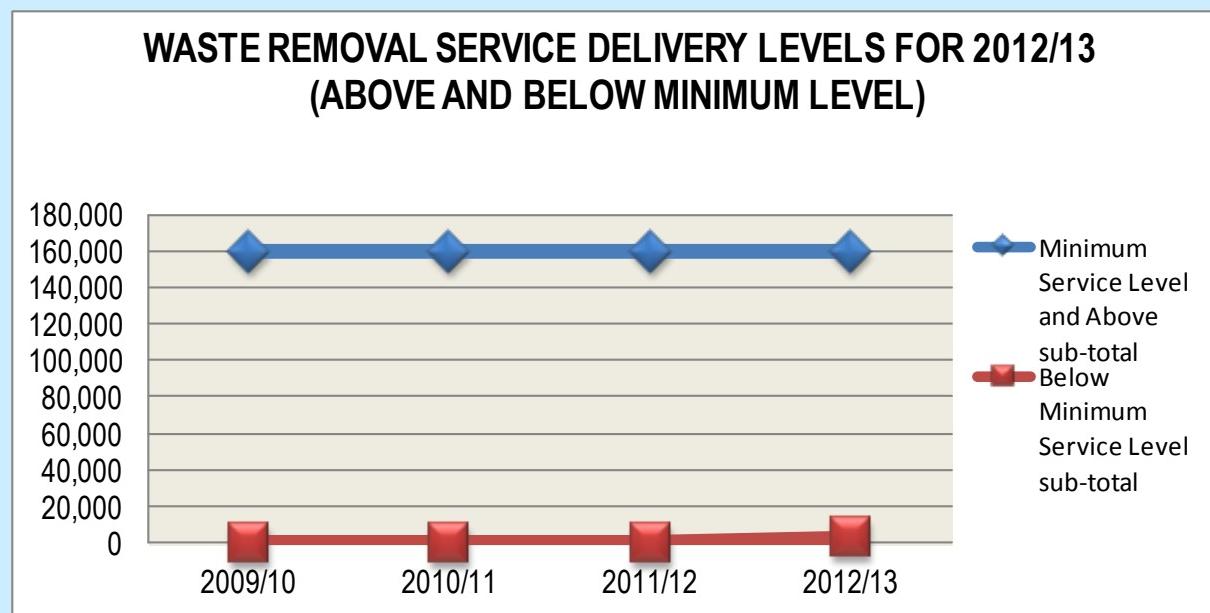
# Chapter 3

Description	WASTE REMOVAL SERVICE DELIVERY LEVELS			
	2009/10	2010/11	2011/12	*Households
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b><u>Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	159 640	159 660	159 680	159 680
<i>Minimum service level and above – subtotal</i>	159 640	159 660	159 680	159 680
<i>Minimum service level and above – percentage</i>	100,00%	100,00%	100,00%	98,36%
<b><u>Waste Removal: (below minimum level)</u></b>				
Removed less frequently than once a week	-	-	-	-
Using communal refuse dump	-	-	-	-
Using own refuse dump	-	-	-	2 655
Other rubbish disposal	-	-	-	-
No rubbish disposal	-	-	-	-
<i>Below minimum service level – subtotal</i>	0	0	0	2 655
<i>Below minimum service level – percentage</i>	0,00%	0,00%	0,00%	1,64%
<b>Total households</b>	<b>159 640</b>	<b>159 660</b>	<b>159 680</b>	<b>162 335</b>
<i>*Total number of households including informal settlements</i>				



# Chapter 3

HOUSEHOLDS – WASTE SERVICE DELIVERY LEVELS BELOW THE MINIMUM HOUSEHOLDS						
Description	2009/10	2010/11	2011/12	2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	159 640	159 660	159 680	159 680	159 680	159 680
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
<b>Informal Settlements</b>						
Total households	0	0	0	0	0	2 655
Households below minimum service level	0	0	0	0	0	2 655
Proportion of households below minimum service level	0%	0%	0%	0%	0%	100%



# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: WASTE MANAGEMENT SERVICES						
Job Level	2011/12		2012/13			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts)	
0 – 3	1	2	1	1		50%
4 – 6	2	3	3	0		0%
7 – 9	6	8	6	2		25%
10 – 12	16	22	21	1		5%
13 – 15	28	36	27	9		25%
16 – 18	9	11	7	4		36%
19 – 20	323	328	310	18		5%
Total	385	410	375	35		9%

FINANCIAL PERFORMANCE 2012/13: WASTE MANAGEMENT SERVICES (REFUSE REMOVAL & LITTER COLLECTION)					
Details	2011/12		2012/13		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	118 601	124 759	124 759	125 752	7.90%
Expenditure:					
Employees	41 652	45 024	46 495	45 627	13.20%
Repairs and maintenance	2 796	4 009	4 009	3 064	-30.82%
Other	47 399	34 935	39 178	40 482	29.40%
Total operational expenditure	91 847	83 968	89 862	98 173	14.47%
Net operational expenditure	26 754	40 791	34 897	27 579	-47.91%

\* Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4 – Organisational Development Performance (Part II) on page 186)

WASTE MANAGEMENT OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	Target
				Original Target	Adjusted Target	Actual	
To finalise payments for purchases of mass containers to enhance efficiency and replace old / broken containers	Number of plastic containers (85 ℥) for the KOSH area purchased	Purchasing 1 000 2 400 plastic containers (85 ℥) for the KOSH area at a cost of R471 007 + R150 000 (CC 03/2012) by June 2012	2 400 containers were purchased R0	Finalising of payments for purchasing 2 200 plastic containers (85 ℥) for the KOSH area at a cost of R499 868 by March 2013	(CC98/2012 dated 21/08/2012)	Fresco and Puro Chemicals payment finalised. R499,867	N/A

## COMMENTS ON THE PERFORMANCE OF WASTE MANAGEMENT OVERALL

The Cleansing section does not currently have any running capital projects.

There is an Expanded Public Works Programme project in progress for cleaning the environment that is registered as a project with the Department of Public Works.

New capital projects will be proposed during the 2013/14 financial year adjustment budget for new 1,1 m<sup>3</sup>, 240 ℥ and 85 ℥ refuse containers for new developments and replacements.

## NATIONAL KEY PERFORMANCE INDICATOR

See page 146 for details.

# Chapter 3

## 3.5 HUMAN SETTLEMENTS

### INTRODUCTION OF HUMAN SETTLEMENTS

To accelerate housing delivery through efficient and effective human settlements management and quality service delivery, as well as through integrated and collective sustainable human settlements programmes. Our priority remains that of eradicating the remaining informal settlements and introduces a rental strategy as an alternative to address housing backlogs. Our ultimate goal is to house communities by restoring their dignity.

#### OBJECTIVES

- ▶ To generate revenue through rental (Community Residential units) / Rental stock
- ▶ To ensure the implementation of housing programmes
- ▶ To ensure that all incomplete / blocked housing projects are unblocked and completed
- ▶ To obtain housing accreditation
- ▶ To improve systems and structures for the management of housing disputes

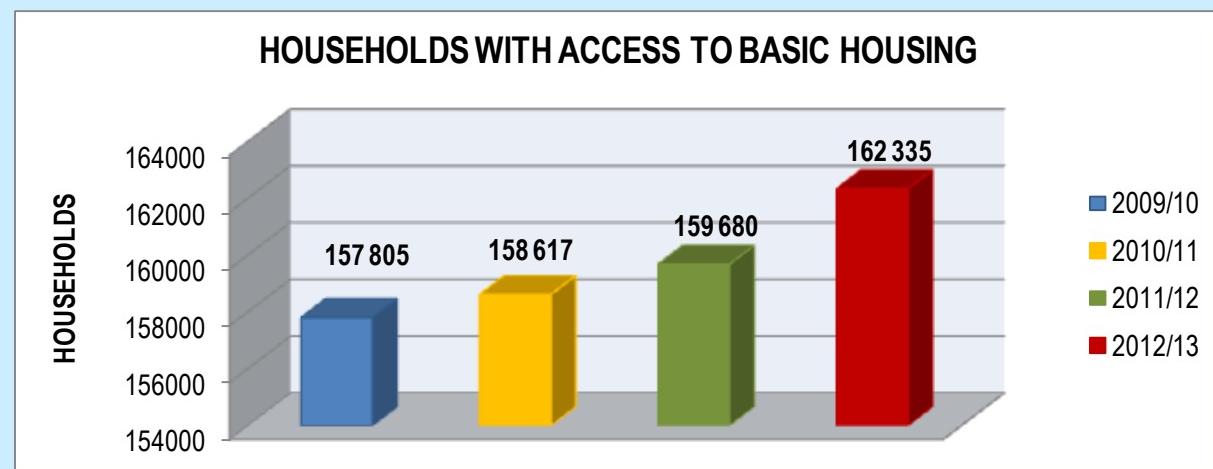
#### GOALS

- ▶ To ensure that beneficiaries acquire security of tenure
- ▶ To improve living conditions of households in Matlosana
- ▶ Access to adequate housing

#### CHALLENGES

- ▶ Ever rising Housing backlog
- ▶ Lack of suitable land for human settlements development
- ▶ Blocked housing projects
- ▶ Abandoned RDP houses due to closure of mines
- ▶ Illegal occupation of land and RDP houses

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2010/11	158 617	156 252	98,5%
2011/12	159 680	157 786	98,8%
2012/13	162 335	158 540	98,4%



# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: HUMAN SETTLEMENTS					
Job Level	2011/12		2012/13		
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %
0 – 3	1	1	1	0	0%
4 – 6	2	5	5	0	0%
7 – 9	4	4	4	0	0%
10 – 12	3	3	3	0	0%
13 – 15	5	6	4	2	33%
16 – 18	0	0	0	0	0%
19 – 20	1	1	1	0	0%
Total	16	20	18	2	10%

FINANCIAL PERFORMANCE 2012/13: HUMAN SETTLEMENTS					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	3 026	7 035	1 228	2 010	-250.00%
Expenditure:					
Employees	4 917	5 802	5 742	5 179	-12.03%
Repairs and maintenance	136	61	159	179	65.92%
Other	2 203	2 395	2 015	1 429	-67.60%
Total operational expenditure	7 256	8 260	7 917	6 787	-21.70%
Net operational expenditure	(4 230)	(1 225)	(6 689)	(4 777)	74.36%

\* Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENT ON THE PERFORMANCE OF THE HUMAN SETTLEMENTS OVERALL

The following were achieved during the 2012/13 financial year:

PROJECT NAME	NO OF UNITS	STATUS
Jouberton Ext. 8 (DDIS)	50	Unblocked and completed
Jouberton Ext. 14	465	Completed
Jouberton Ext. 16 (DDIS)	60	Unblocked and completed
Jouberton Ext. 16 (Masikhule)	300	Completed
Jouberton Ext. 19 (Masikhule)	700	Completed
Jouberton Ext. 20	394	Completed
Khuma Ext. 11	311	Unblocked and completed
Kanana Ext. 10	300	Completed

# Chapter 3

The following housing Projects are planned for implementation for 2013 /2014:

UNBLOCKED HOUSING PROJECTS	
Khuma Ext. 1, 3, 4 & 5 :	Contractor appointed by the Province
Khuma Ext. 8 & 9	Not appointed
Jouberton Ext. 1 & 5	Not appointed
Jouberton Ext. 9, 11, 12, 13, 15 & 18	Not appointed
Jouberton Ext. 10	Contractor appointed
Jouberton Ext. 13	Contractor appointed
Jouberton Ext. 7	Contractor appointed
Kanana Ext. 7	Contractor appointed
NEW HOUSING PROJECT FOR 2013 /2014	
Kanana Ext. 11	772 units
Kanana Ext. 13	2700 units
Jouberton Ext. 17	906 units
Jouberton Ext. 20	599 units
Jouberton Ext. 21	741 units
Jouberton Ext. 23	1116 units
Tigane Ext. 5	396 units

All of the above housing projects will be implemented by the Provincial Department of Human Settlements.

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

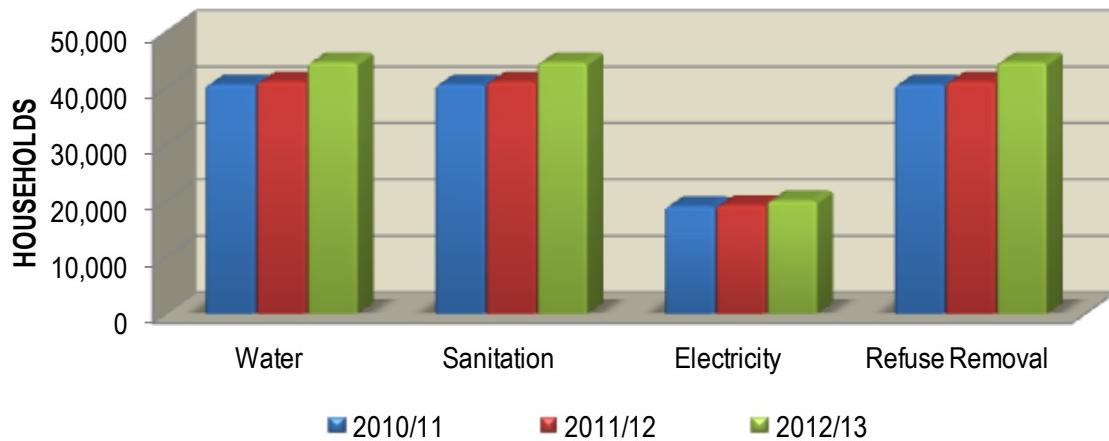
The Council accepts that it is responsible for the rendering of services in terms of schedules 4 and 5 of the Constitution as well as such other services as may be delegated by National and Provincial Government.

The Council realises that in certain circumstances and as a result of past policies the costs of certain services that are available to communities are beyond the financial means of such communities, and through this policy will assist those communities within the financial means of the Council.

In each instance the economic cost to render the services will be calculated in accordance with the Council's tariff policy.

# Chapter 3

## FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS



FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS										
Year	Earning less than R	Number of households								
		Households earning less than R2,440 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
Year	Earning less than R	Total	Access	%	Access	%	Access	%	Access	%
2010/11	2 160	40 629	40 629	100%	40 629	100%	19 048	47%	40 629	39%
2011/12	2 280	41 125	41 125	100%	41 125	100%	19 256	47%	41 125	52%
2012/13	2 440	44 569	44 569	53%	44 569	53%	20 050	53%	44 569	53%

FINANCIAL PERFORMANCE 2012/13: COST TO MUNICIPALITY OF FREE BASIC SERVICES DELIVERED					
Services Delivered	2011/12		2012/13		
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	19 124	18 000	13 567	15 583	-13%
Waste Water (Sanitation)	25 488	20 488	18 833	26 701	30%
Electricity	18 000	18 000	13 599	13 600	-24%
Waste Management (Solid Waste)	37 170	24 962	28 000	39 647	59%
<b>Total</b>	<b>99 782</b>	<b>81 450</b>	<b>74 000</b>	<b>95 531</b>	<b>17%</b>

## NATIONAL KEY PERFORMANCE INDICATORS

See page 149 for more detail.

# Chapter 3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT

### ► **Water**

A subsidy amount equal to the value of 6 kℓ of water and thereafter normal tariffs will apply, i.e. consumption above 6 kℓ will not be subsidised at all. Basic water: no levy per month, i.e. free of charge.

### ► **Refuse removal**

Removal once a week of an 85 ℓ or 240 ℓ container. Free of charge.

### ► **Sewerage**

Cost of drainage at a basic charge plus additional sewerage charge per dwelling house. Free of charge.

### ► **Electricity**

Units: A maximum of 50 kWh per month free of charge. Basic electricity no levy per month, i.e. free of charge

### ► **Alternative energy**

Indigent consumers who do not have access to electricity qualify for alternative energy sources. Once-off supply of a paraffin stove as well as a paraffin lamp free of charge and 20 ℓ of paraffin per month, free of charge.

### ► **Property rates:**

100% of the balance of the rates subject to the conditions as per the property rates policy.

## COMPONENT B: ROAD TRANSPORT

This component includes Roads and Storm-Water Drainage, and Licensing Services.

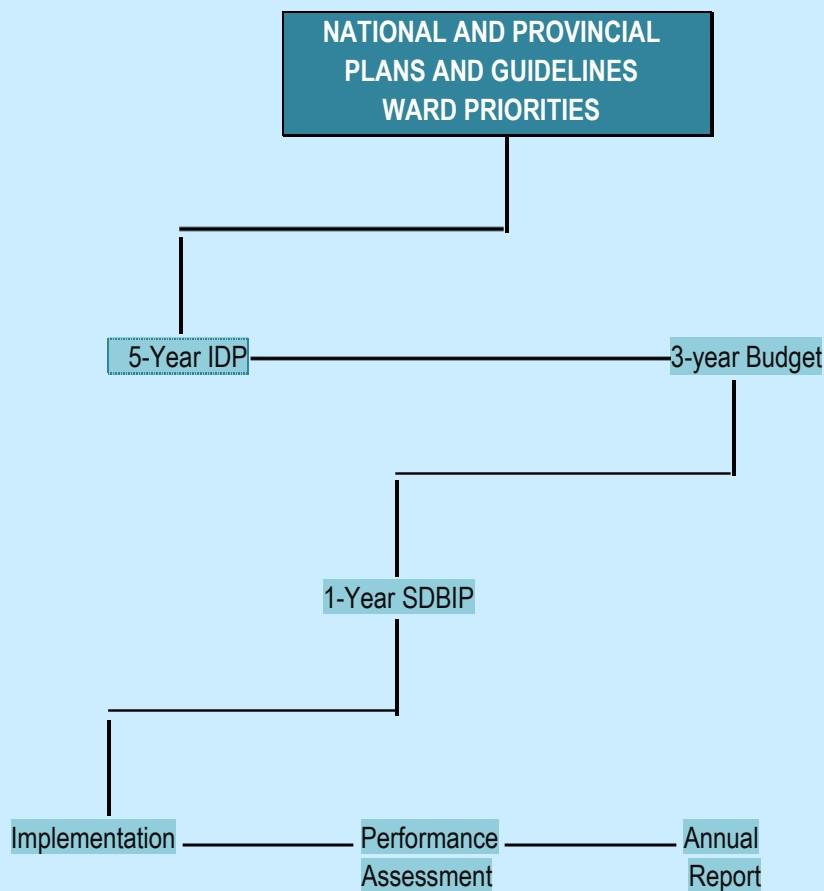
### 3.7 ROADS AND STORM-WATER DRAINAGE

The objectives of roads and storm-water drainage are:

- To provide safe and quality infrastructure for the people of Matlosana
- To channel storm-water from the city's residential areas, industrial areas, school, parks, etc to nearby spruits through the storm-water infrastructure
- To provide a healthy and safe environment to our community

# Chapter 3

## HOW DO WE IMPLEMENT OUR STRATEGY

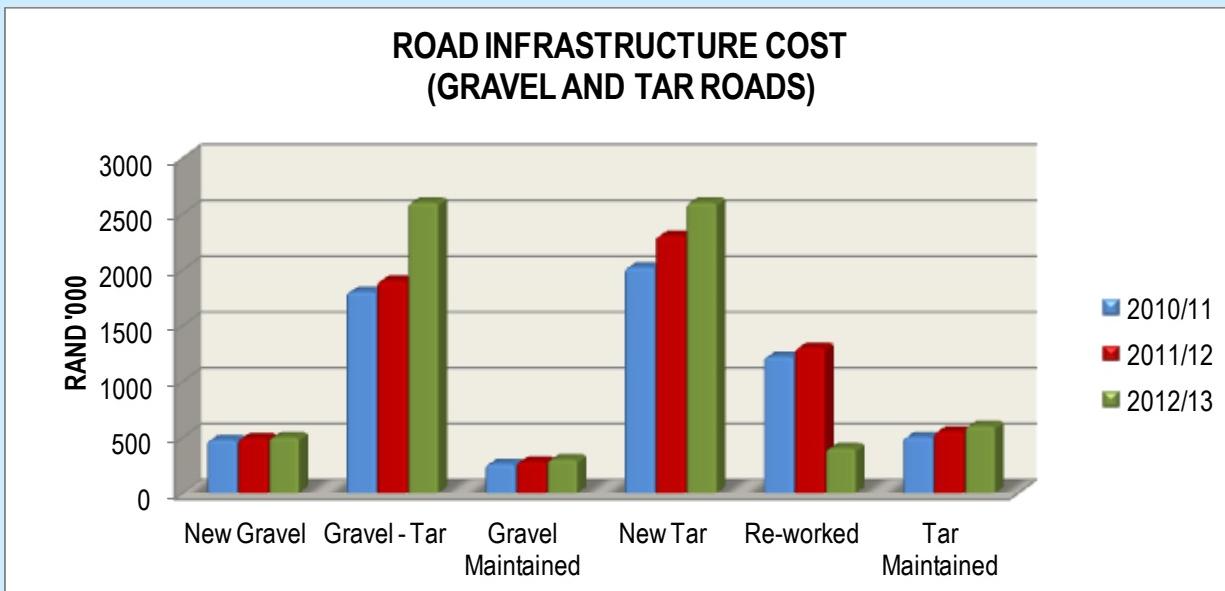


The development of our people and alleviation of poverty by creation of jobs through the EPWP (Extended Public Works Programme) is a core priority. Through the implementation of storm-water projects, the City of Matlosana plays a role in the development of its people and in poverty alleviation. R700 000 each is needed for the development of the Roads Master Plan and Storm-Water Master Plan.

GRAVEL ROAD INFRASTRUCTURE					Kilometres
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded / maintained	Kilometres
2010/11	467	0	23	120	
2011/12	452	0	15	140	
2012/13	437	0	8.4	200	

# Chapter 3

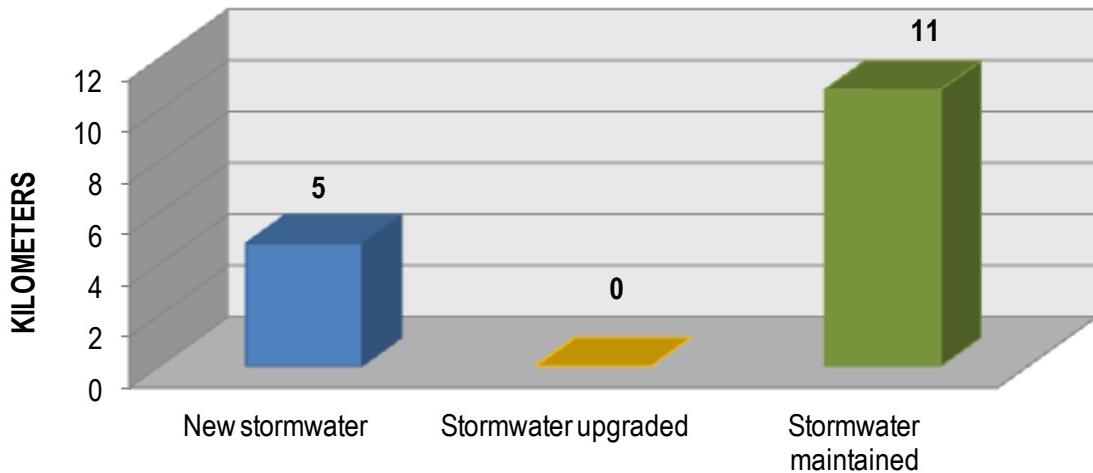
TARRED ROAD INFRASTRUCTURE						Kilometres
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
2010/11	766	15.05	0	0	120	
2011/12	781	14.7	0	0	140	
2012/13	789	8.4	0	0	140	



COST OF CONSTRUCTION / MAINTENANCE							R' 000
Year	Gravel			Tar			
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained	
2009/10	450	1 700	250	1 950	1 050	400	
2010/11	475	1 800	260	2 020	1 220	500	
2011/12	490	1 900	280	2 300	1 300	550	
2012/13	498	2 600	300	2 600	400	600	

# Chapter 3

## STORM-WATER INFRASTRUCTURE MEASURES FOR 2012/13



### EMPLOYEE INFORMATION

EMPLOYEES: ROAD AND STORM-WATER DRAINAGE						
Job Level	2011/12		2012/13			Vacancies (as a % of total posts) %
	Employees	Posts	Employees	Vacancies / Over	No.	
No.		No.				
0 - 3	0	1	1	0	0	0%
4 - 6	3	3	3	0	0	0%
7 - 9	14	14	13	1	1	7%
10 - 12	30	33	29	4	4	12%
13 - 15	6	5	6	-1	-1	-20%
16 - 18	26	26	25	1	1	4%
19 - 20	107	107	104	3	3	3%
Total	186	189	181	8	8	4%

# Chapter 3

FINANCIAL PERFORMANCE 2012/13: ROAD & STORM-WATER DRAINAGE SERVICES						
Details	2012/13					R'000
	2011/12	Original Budget	Adjustment Budget	Actual	Variance to Budget*	
	Actual					
Total operational revenue	-	6 430	6 487	5 212	-23.37%	
Expenditure:						
Employees	25 415	44 927	38 927	39 449	-13,89%	
Repairs and maintenance	8 089	13 792	13 399	7 242	-90,44%	
Other	68 246	78 204	76 363	87 014	10,12%	
Total operational expenditure	101 750	136 923	128 689	133 705	-2,41%	
Net operational expenditure	(101 750)	(130 493)	(122 202)	(128 493)	-1.56%	

\* Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2012/13: ROAD AND STORM-WATER DRAINAGE						
Capital Projects	2012/13					R' 000
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total all capital projects	4 115	7 394	6 044	32%		
Resealing of 5 Kilometres of roads in the KOSH area by December 2012.	4 115	7 394	6 044	32%	6 044	

## COMMENT ON THE PERFORMANCE OF ROADS AND STORM-WATER DRAINAGE OVERALL

A storm-water development plan is still to be drafted to identify the gaps of what exists and what is needed in terms of storm-water drainage.

During 2012/13 the Vuk'uphile emerging contractors were appointed for implementation of storm-water infrastructure, inter alia in an attempt to alleviate poverty in the process by creating job opportunities.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 164/170)

ROADS AND STORM-WATER DRAINAGE OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	
				Original Target	Adjusted Target		
To pave taxi routes and upgrade storm-water drainage systems to ensure better accessibility to the community	Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in Jouberton (Phase 4B)	Paving of 5,1 Kilometres of taxi routes and upgrading of storm-water drainage system as per programme in Jouberton (Phase 4B) at a cost of R6 800 000 by June 2012	Contractor on site R2 201 823	Paving of 5,1 Kilometres of taxi routes and upgrading of storm-water drainage system as per programme in Jouberton (Phase 4B) at a cost of R6 800 000 by March 2013	R4 340 370 CC25/2013 dated 28/02/2013)	Project completed. Received Certificate of Completion of Works, R3 272 618	N/A
	Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in Jouberton (Phase 6)	-	-	Paving of 5,5 Kilometres of taxi routes and upgrading of storm-water drainage system as per programme in Jouberton (Phase 6) at a cost of R13 000 000 by June 2013	N/A	20% construction completed, R 3 231 124	Paving of 5,5 Kilometres of taxi routes and upgrading of storm-water drainage system as per programme in Jouberton (Phase 6) at a cost of R11 779 681 by December 2013
	Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in Khuma (Phase 6)	-	-	Paving of 3,5 Kilometres of taxi routes and upgrading of storm-water drainage systems per programme in Khuma (Phase 6) at a cost of R7 200 000 by June 2013	N/A	Project 20% completed, R3 390 535	Paving of 3,5 Kilometres of taxi routes and upgrading of storm-water drainage systems per programme in Khuma (Phase 6) at a cost of R6 455 840 by December 2013

# Chapter 3

## 3.8 LICENSING SERVICES

### INTRODUCTION TO LICENSING SERVICES

The purpose of licensing is:

- ▶ To provide effective and efficient motor vehicle registration and driver's licensing activities
- ▶ To ensure that members of the public drive responsibly on the road by ensuring that members of the public are tested properly for the renewal of drivers' licences, and to deal with applications for learners' and drivers' licences and for professional driving permits
- ▶ To ensure safe driving on the public roads by testing motor vehicles
- ▶ To ensure legal trade by businesses, hawkers and stands
- ▶ To ensure legal trade by motor dealers
- ▶ To ensure that moneys are paid over to Province, Prodiba and RTMC

### STEPS TAKEN TOWARDS THE IMPLEMENTATION OF THE STRATEGY, THE MAJOR SUCCESSES ACHIEVED AND CHALLENGES FACED

Strategies:

- ▶ To perform effective services for registration and licensing/renewal of vehicle licences
- ▶ To ensure the effective and legal issue of permits
- ▶ To perform changes of addresses of members of the public and engine numbers of vehicle
- ▶ To ensure proper service delivery by assisting members of public in all vehicle enquiries
- ▶ To ensure legal and proper service delivery in the testing of motor vehicles
- ▶ To ensure legal and proper service delivery in the renewal of drivers licences and the application and issuing of learners' licences, drivers' licences and professional driving permits
- ▶ To ensure effective inspections of business licences, hawkers, stands and motor dealers
- ▶ To ensure that all money taken are deposited and answered for
- ▶ To submit requests for payment of fees to Province, Prodiba and RTMC (the Road Traffic Management Corporation)

Challenges faced:

- ▶ Shortage of qualified examiners of drivers' licences
- ▶ Curbing of corruption by introducing the best practice model
- ▶ Introducing a drive-through system for renewal of vehicle licences
- ▶ Joint operations for checking up business licences and hawkers
- ▶ Completion of the turning radius test facility at Hartbeesfontein vehicle testing centre by ensuring that the tender is forwarded and finalised
- ▶ Completion of installing of load axle mass and play detectors at vehicle testing centres by ensuring that the tender is finalised
- ▶ To ensure payments to province, Prodiba and RTMC are processed
- ▶ To ensure sufficient control over daily balancing and correct banking of money received

# Chapter 3

- ▶ Completion of refurbishment of buildings
- ▶ Installation of security system in all four sections to ensure the safety of personnel and money
- ▶ To ensure the timely calibration of equipment at the vehicle testing centre to ensure proper testing of vehicles

## SERVICE STATISTICS FOR LICENSING SERVICES

DESCRIPTION	2010/11	2011/12	2011/12	COST (R'000)
Registration of vehicles	36 543	38 693	38889	4 096
Licensing / renewal of vehicle licences	98 686	100 201	101997	51 037
Issue of permits	6 015	6 168	6847	662
Application and renewal of motor trade plates	180	176	201	144
Application and issuing of business licences, hawkers' licences and stands	1 330	1 436	1106	168
Application and issue of certification of roadworthiness certificates of motor vehicles	4 316	5 223	4821	1 020
Weigh bridge certificate of vehicles	1 315	1 623	1217	54
Application and issue of learner's licences	14 740	15 577	14319	1 807
Application and issue of driver's licences	8 320	8 856	8301	1 951
Application for professional driving permits	3 492	3 249	3161	398
Renewal of drivers' licences	11 444	11 615	14414	3 199
Issuing of temporary drivers' licences	6 483	6 978	7277	394
Road Traffic Management Corporation	89 782	91 094	92640	3 329

## EMPLOYEE INFORMATION

Job Level	EMPLOYEES: LICENSING SERVICES					
	2011/12		2012/13			
	Employees	Posts	Employees	Vacancies	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 – 3	1	1	1	0	0%	
4 – 6	1	1	1	0	0%	
7 – 9	24	25	21	4	16%	
10 – 12	19	19	19	0	0%	
13 – 15	7	7	7	0	0%	
16 – 18	3	3	3	0	0%	
19 – 20	6	6	6	0	0%	
<b>Total</b>	<b>61</b>	<b>62</b>	<b>58</b>	<b>4</b>	<b>6%</b>	

# Chapter 3

FINANCIAL PERFORMANCE 2012/13 : LICENSING					
Details	2011/12		2012/13		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	69 431	85 511	85 511	66 273	-29.03%
Expenditure:					
Employees	12 327	12 933	12 933	12 726	-1.63%
Repairs and maintenance	104	336	325	90	-273.33%
Other	55 344	70 956	70 746	50 950	-39.27%
Total operational expenditure	67 775	84 227	84 004	63 766	-32.08%
Net operational expenditure	1 656	1 284	1 507	2 507	48.7%

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## CAPITAL EXPENDITURE

CAPITAL EXPENDITURE 2012/13: LICENSING SERVICES					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total for all capital projects	168	168	50	-70.24%	
Refurbishment of Orkney Learners Licensing Hall, Live Scan Office and waiting room with floor and air conditioner by June 2013	168	168	50	-70.24%	200

## COMMENT ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

Major success achieved:

- ▶ Payments to Prodiba and RTMC are up to date
- ▶ Completion of refurbishment of learners' classroom, reception and Live Scan Office at Orkney licensing
- ▶ Increase of income on commission due to quality service delivery
- ▶ Calibration of weigh bridge

# Chapter 3

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning, local economic development and the fresh produce market.

### 3.9 PLANNING

#### INTRODUCTION TO PLANNING

PHYSICAL PLANNING	
Opportunities	Challenges
Klerksdorp Land Use Management Scheme 2005 (town-planning scheme) is in place and enforced SDF is in place as a guideline	Shortage of personnel to enforce the Klerksdorp Land Use Management Scheme 2005

SERVICE DELIVERY PRIORITIES		
Opportunities	Challenges	Measures taken to improve
Establishment of townships	Budget	Projects funded through IDP 2012/2013
Enforcement of Klerksdorp Land Use Management Scheme 2005	Shortage of personnel	Post advertised through HR
Review of Town planning SDF and town planning scheme	Budget	Budgeted for

#### SERVICE STATISTICS FOR PLANNING

#### DEVELOPMENT PLANNING AND BUILDING CONTROL

DETAIL	2010/11	2011/12	2012/13
Detail of building plans <ul style="list-style-type: none"><li>▶ Number of building plans approved (excluding low cost housing)</li></ul>	1 130	1 203	1 187
Value of building plans approved	R376 165 000	R431 529 600	R534 424 100
Number of applications received for: <ul style="list-style-type: none"><li>▶ Township establishment</li><li>▶ Rezoning</li><li>▶ Special consent</li></ul>	3	19	2
	72	48	42
	7	8	11

# Chapter 3

## BUILDING CONSTRUCTION

DETAIL	2010/11	2011/12	2012/13
	R	R	R
Value of work completed:			
▶ Maintenance on buildings	2 680 848	2 911 654	2 765 921
▶ Capital work			
Departmental	8 051 886	536 738	693 308
Consultants	9 040 732	5 446 348	1 643 885
MIG	2 565 530	504 632	571 851
▶ Labour and vehicle cost i.r.o. maintenance not captured	-	-	3 431 582

## APPLICATIONS FOR LAND USE DEVELOPMENT

Detail	Formalisation of Townships		Rezoning		Built Environment	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
Planning application received	19	13	48	42	1 400	1 183
Determination made in year of receipt	5	8	70	39	800	1 000
Determination made in following year	10	2	70	2	1 000	1 000
Applications withdrawn	0	0	0	1	0	0
Applications outstanding at year end	0	2	0	0	25	36

## EMPLOYEE INFORMATION

EMPLOYEES: TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU					
Job Level	2011/12	2012/13			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %
0 – 3	1	1	1	0	0%
4 – 6	4	5	5	0	0%
7 – 9	17	17	16	1	6%
10 – 12	8	10	8	2	20%
13 – 15	8	9	8	1	11%
16 – 18	10	12	10	2	17%
19 – 20	1	3	1	2	67%
Total	49	57	49	8	14%

# Chapter 3

FINANCIAL PERFORMANCE 2012/13 : TOWN-PLANNING, BUILDING SURVEY, BUILDING CONSTRUCTION AND PMU						
Details	2012/13					R'000
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*	
Total operational revenue	1 112					
Expenditure:						
Employees	10 747	2 951	3 877	3 595	17.91%	
Repairs and maintenance	127	40	40	5	-700.00%	
Other	13 255	3 457	3 074	3 590	3.70%	
Total operational expenditure	24 129	6 448	6 991	7 190	10.32%	
Net operational expenditure	(23 017)	(6 448)	(6 991)	(7 190)	10.32%	

\* Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENT ON THE PERFORMANCE OF LICENSING SERVICES OVERALL

The shortage of personnel results in a lack of enforcing the Klerksdorp Land Use Management Scheme 2005.

## 3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETING)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

Local Economic Development (LED) is concerned with the creation of an environment which will engage stakeholders in implementing strategies and programmes. The overall national vision of economic development is one of decent work and living standard for all in the context of qualitative improved of ownership, skills and access to opportunities. To realise local economic development, the Directorate is attempting to play a leading role in facilitating the implementation of government's national programmes on economic development such as Broad Based Black Economic Empowerment (BBBEE), the New Growth Path and the National Development Plan.

Local Economic Development plays a crucial role in creating a prosperous, equitable, stable and democratic society by stimulating local production through light industries, the development of SMMEs and the establishment of cooperatives.

LOCAL ECONOMIC EMPLOYMENT BY SECTOR			
Sector	2013/14 No.	2011/12 No.	2012/13 No.
Agriculture, forestry and fishing	75	56	-
Manufacturing	283	255	-
Wholesale and retail trade	-		269
Government, community and social services	-		
Infrastructure services	642	706	1 010
<b>Total</b>	<b>1 000</b>	<b>1 017</b>	<b>1 279</b>

# Chapter 3

## COMMENT ON LOCAL JOB OPPORTUNITIES

Most of the jobs were created on a short-term basis by implementing the Expanded Public Works Programme, the N12 Beautification and through the ongoing construction of the Jouberton Tower Mall and Matlosana Mall, where construction has just commenced. The completion of the building of Choppies Supermarket and Builders Warehouse has created permanent jobs and it is anticipated that the completion of Jouberton Tower Mall in the foreseeable future will also create more permanent jobs in Matlosana. The construction of the eastern development of Matlosana Mall is already underway and will create further permanent jobs. The municipality is anticipating creating long-term employment following the implementation of the following municipal projects:

- ▶ Mechanisation (rural development)
- ▶ N12 Beautification (continuation)
- ▶ Meat processing plant
- ▶ Bishop Tutu Heritage Site
- ▶ CBD revitalisation

The informal economy forms a key component of LED to address unemployment and poverty and to support creation of sustainable livelihoods. The Municipality has built hawkers' stalls in Klerksdorp, Orkney, Stilfontein and Tigane to enhance job creation.

JOBS CREATED DURING 2012/13 BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)				
Total jobs created / top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
2010/11	311	0	311	Loco inspection
2011/12	0	0	0	Loco inspection
2012/13	269	0	269	Loco inspection

JOB CREATION THROUGH EPWP* PROJECTS		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2010/11	12	706
2011/12	2	102
2012/13	15	1 010

\* Extended Public Works Programme

# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
Job Level	2011/12		2012/13		
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %
0 – 3	2	2	2	0	0%
4 – 6	6	7	6	1	14%
7 – 9	4	4	4	0	0%
10 – 12	4	4	4	0	0%
13 – 15	0	0	0	0	0%
16 – 18	1	1	1	0	0%
19 – 20	0	1	1	0	0%
<b>Total</b>	<b>17</b>	<b>19</b>	<b>18</b>	<b>1</b>	<b>5%</b>

FINANCIAL PERFORMANCE 2012/13 : MACRO CITY, PLANNING AND DEVELOPMENT					
Details	2011/12		2012/13		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	-	16 748	16 933	15 355	9.05%
Expenditure:					
Employees	10 216	11 663	11 605	11 388	-2.41%
Repairs and maintenance	1 336	1 731	1 371	1 095	-58.08%
Other	9 441	10 343	10 455	7 705	-5.00%
<b>Total operational expenditure</b>	<b>20 993</b>	<b>23 737</b>	<b>23 431</b>	<b>20 188</b>	<b>-17.58%</b>
<b>Net operational expenditure</b>	<b>(20 993)</b>	<b>(6 992)</b>	<b>(6 498)</b>	<b>(4 833)</b>	<b>-44.67%</b>

\* Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 183)

LOCAL ECONOMIC DEVELOPMENT OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	Target
				Original Target	Adjusted Target	Actual	
To build flea market shelters to create sustainable SMMEs	Number of square metres flea market shelters built	-	-	Building ±18 m <sup>2</sup> flea market shelters in Klerksdorp for 10 entrepreneurs at a cost of R1 000 000 by June 2013 (phase 3)	Tigane R962 125 (CC25/2013 dated 28/02/2013)	10 x ±18 m <sup>2</sup> flea market shelters built in Tigane. R767 774	N/A

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL

- ▶ The Rural Development: Council requested financial assistance from the district municipality for the purchasing of farming equipment and machinery for utilisation by emerging farmers. Approval was granted and the district municipality itself purchased the farming equipment and machinery for utilisation by emerging farmers.
- ▶ Expanded Public Works Programme (EPWP): Working closely with the Civil Engineering Department on the EPWP contractor development programme.
- ▶ N12 Development: Negotiations were successfully conducted for the N12 West Development – Matlosana Mall, the Tower Mall between Jouberton and Alabama and the N12 Beautification.

## NATIONAL KEY PERFORMANCE INDICATOR

See page 147 for detail.

# Chapter 3

## 3.11 FRESH PRODUCE MARKET

### INTRODUCTION TO ECONOMIC DEVELOPMENT

The aim of the fresh produce market is to have an equally balanced supply and consumption of quality fruits and vegetables, and to encourage and promote appropriate initiatives with a significant contribution to the local economic development of the City of Matlosana and the North West Province.

The market's main objective is to create a fair trading platform for quality fruits and vegetables, i.e. to:

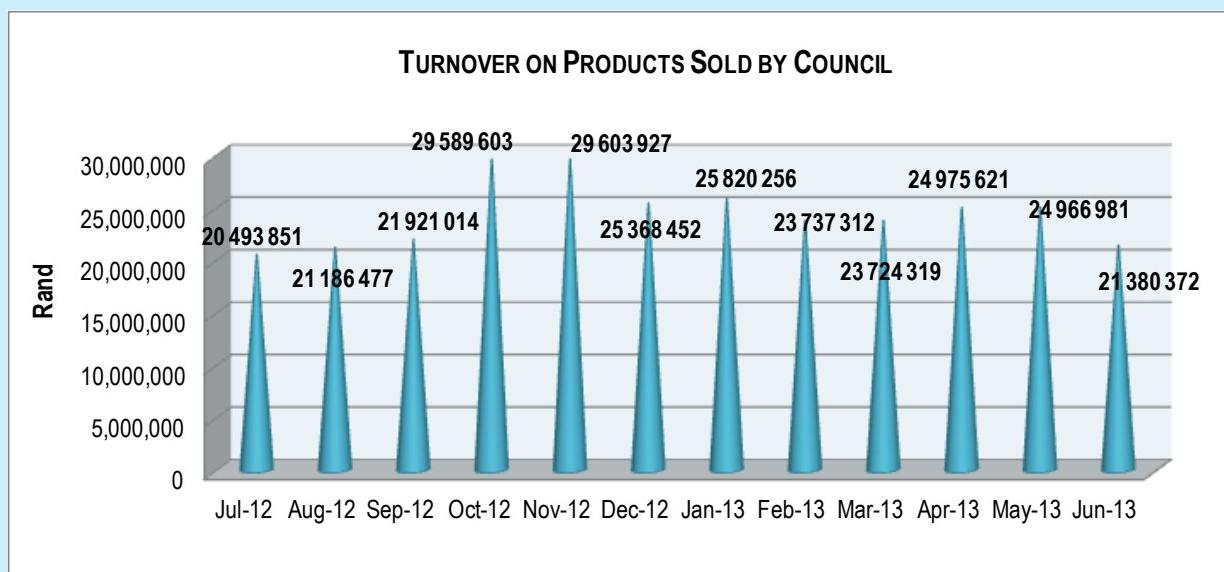
- ▶ Provide a facility for trading, storage and logistical enhancement.
- ▶ Encourage consumption of fruits and vegetables for healthier and better lifestyles, through "5-a-day for better health" campaigns.
- ▶ Encourage and support SMME development (emerging producers and informal traders within the industry).
- ▶ Contribute towards the local economy of the greater Matlosana.

The main challenge is:

The deregulation of the fresh produce industry: The fresh produce market should be allowed to operate in such a way that its income is invested back into market projects. This will enable the market to gain a competitive advantage over the largest South African markets. A new business strategy should be developed, as well as a flexible organisational structure to drive that strategy.

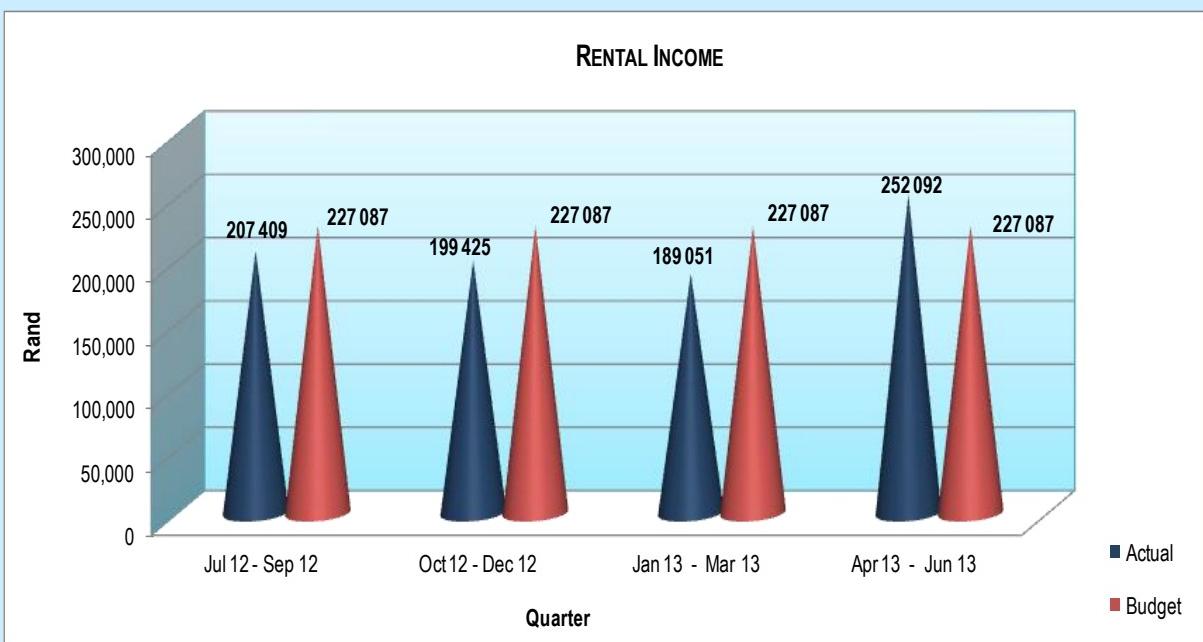
### SERVICE STATISTICS OF THE FRESH PRODUCE MARKET

Service statistics for the fresh produce market are as follows:

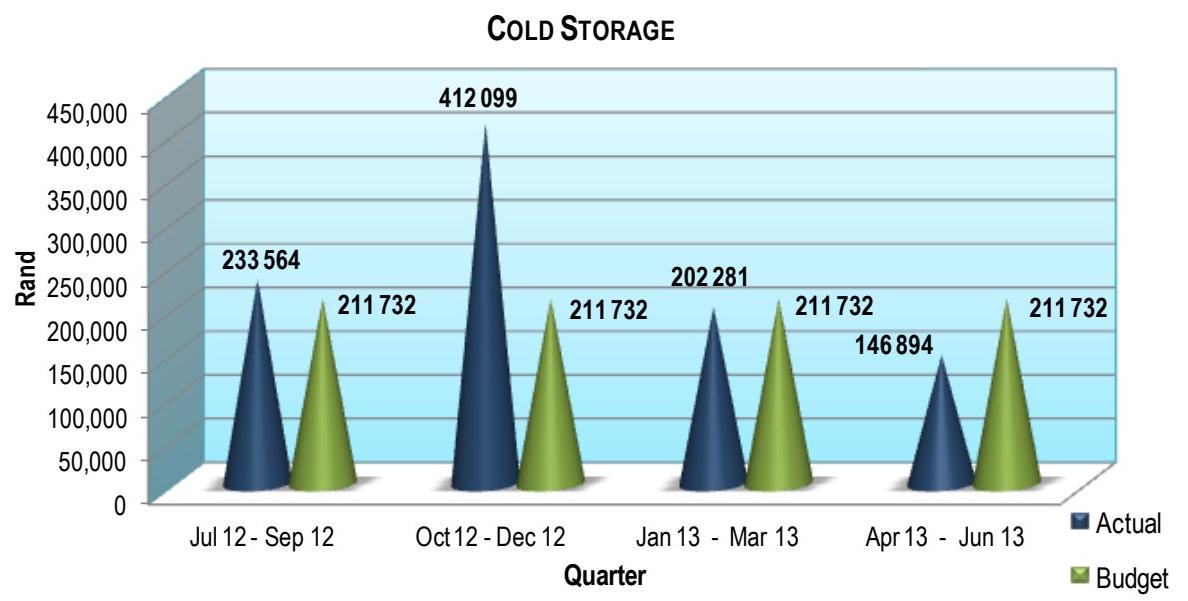


The total turnover of products sold through the market for 2012/2013 was R292 768 185.

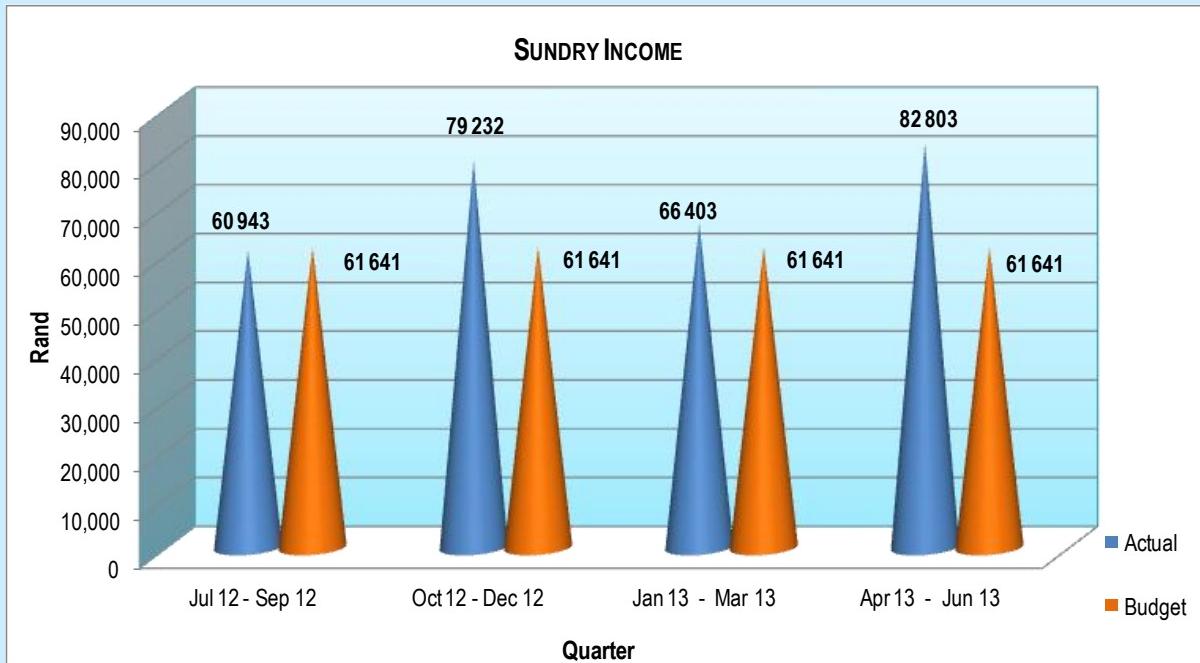
# Chapter 3



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The total cold storage income for 2012/2013 was R994 838.



Sundry income includes trolley rental, surplus cash, and commission on levies, selling transactions, buyer cards and bank interest. The total sundry income for 2012/2013 was R289 382.

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INDICATOR	FRESH PRODUCE MARKET FINANCIAL SUMMARY			
	2009/10		2010/11	
	R	R	R	R
Rental estate	675	702	798	848
Market dues	12 216	12 462	13 951	13 471
Fees ripening and cooling	313	344	721	994
Buyer cards	4	4	6	3
Rental transport	73	59	79	108

## EMPLOYEE INFORMATION

EMPLOYEES: FRESH PRODUCE MARKET					
Job Level	2011/12		2012/13		
	Employees	Posts	Employees	Vacancies	Vacancies (as a % of total posts)
No.	No.	No.	No.	No.	%
0 – 3	0	1	1	0	0%
4 – 6	4	5	4	1	20%
7 – 9	0	0	0	0	0%
10 – 12	11	11	11	0	0%
13 – 15	9	9	8	1	0%
16 – 18	4	4	4	0	0%
19 – 20	14	14	11	3	21%
Total	42	44	39	5	11%

The fresh produce market financial performance 2012/13 is included with Local Economic Development.

## COMMENT ON THE FRESH PRODUCE MARKET PERFORMANCE OVERALL

Out of the total of 18 national fresh produce markets in South Africa, Klerksdorp National Fresh Produce Market was rated in the 8<sup>th</sup> position with a total turnover of R292 768 184 in June 2013.

# Chapter 3

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes libraries, museums, arts and culture and cemeteries.

### 3.12 LIBRARIES, MUSEUM, ARTS AND CULTURE

#### INTRODUCTION TO LIBRARIES AND MUSEUM

##### LIBRARIES

The Library Services strive to provide educational support for those who endeavour to improve their quality of life through enhancing their qualifications and skills, to provide a quality library service to those who seek the companionship of books and literature, and to cultivate a culture of reading and learning amongst the children of our communities with the ultimate view of establishing a vehicle for sustaining lifelong learning and the enhancing of reading skills.

The libraries provide educational programmes and library awareness programmes for adults and children, book lending services and study facilities, and free public internet access is available at most of the Council's libraries. Library users are assisted to find the information they need for assignments, research and general knowledge as part of the reference service, and educational toys are available at most of the Council's libraries. The Library Services will always strive to provide free services to our communities to improve the quality of life for those that are living in poverty.

#### SERVICE STATISTICS FOR THE LIBRARIES

INDICATOR	2010/11	2011/12	2012/13	COST (R)
<b>Educational Programmes</b>				
▶ Library awareness programmes	154	228	164	
▶ Library interest events	15	14	11	3 727

##### MUSEUMS

Museums and Heritage, a dynamic section consisting of two museums and six heritage sites, purposefully directs efforts to shape and manifest the identities and understanding of communities and individuals in relation to their historical and cultural environments.

This is achieved through the most important performance areas of collection, documentation, conservation, research and education that are responsive to the needs of the diverse communities of the city.

# Chapter 3

The heritage resources, collections and collective memory of the people of the City of Matlosana are held in trust by the Museums and Heritage Section for generations to come.

## SERVICE STATISTICS FOR THE MUSEUM

INDICATOR	2010/11	2011/12	2012/13	COST (R)
<b>Education</b>				
▶ Education programmes presented	81	92	95	3 697
▶ Lifelong learning classes presented	34	31	32	21 600
<b>Collections</b>				
▶ Maintenance and care of objects	1 002	980	820	-
▶ Digitised collection documentation	590	1 603	1 985	-
<b>Exhibitions</b>				
▶ Temporary exhibitions presented	3	3	10	-
▶ Existing exhibitions maintained	18	16	16	49 644
▶ New exhibition: Matlosana history	1	-	3	-
<b>Community Participation</b>				
▶ Meetings held with support groups	12	10	101	-
▶ Consultation sessions	87	44	88	-
<b>Heritage Awareness</b>				
▶ Heritage awareness events	9	9	12	40 158

## EMPLOYEE INFORMATION

EMPLOYEES: LIBRARIES AND MUSEUM						
Job Level	2011/12		2012/13			
	Employees	Posts	Employees	Vacancies	Vacancies (as a % of total posts)	
No.	No.	No.	No.	No.	%	
0 – 3	1	2	1	1	50%	
4 – 6	3	3	3	0	0%	
7 – 9	8	9	8	1	11%	
10 – 12	13	14	13	1	7%	
13 – 15	38	41	39	2	5%	
16 – 18	13	15	13	2	13%	
19 – 20	3	3	3	0	0%	
Total	79	87	80	7	8%	

# Chapter 3

FINANCIAL PERFORMANCE 2012/13 : LIBRARIES & MUSEUM					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	992	1 025	1 133	502	-104.18%
Expenditure:					
Employees	35 749	13 012	13 340	12 530	-3.85%
Repairs and maintenance	17 643	416	437	267	-55.81%
Other	(5 484)	6 069	4 764	1 808	-235.67%
Total operational expenditure	47 908	19 497	18 541	14 605	-33.50%
Net operational expenditure	(46 916)	(18 472)	(17 408)	(14 103)	-30.98%

\* Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENT ON THE PERFORMANCE OF LIBRARIES AND MUSEUM

A library building was erected in Khuma Ext 8 at a cost of R4 626 048 and equipping the library is in progress.

The Dora Grant to the amount of R400 000 to address shortcomings at various libraries could not be spent because the grant was received late. A further delay was caused by the MFMA section 139 investigations. Library management had to await approval to continue with their business plan, because in terms of a clause in agreement with DORA, it is stipulated that should Council be under administration the agreement will expire.

The library presented 175 educational and awareness programmes that were attended by 5 444 attendees.

During the 2012 – 2013 Financial Year the Museums and Heritage Section showed things worth seeing and told stories worth hearing. The highlight of the year was ten temporary exhibitions focusing on the ANC Centenary and the role it played in the liberation struggle; Makweteng Township; the Siege of Mafikeng; the Holocaust, controversial human rights themes and instances of genocide; the *Show us our Land* photographic exhibition; the *Struggle in Sport*; and four art exhibitions. All programmes, exhibitions and services foster learning and an appreciation of intercultural understanding.

Heritage awareness was promoted with festivals such as the annual mampoer, quilt and yarn festivals, as well as workshops on heritage resource significance and identification.

The educational programmes continue to increase visitor numbers. Museum experiences for young people that give them opportunities to interact with, and learn to value, our diverse national heritage is one of the cornerstones of service delivery in the section. The most popular education programme was the Living History programmes presented during Heritage Month and International Museum Week in May 2013.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on pages 180)

LIBRARY SERVICE OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	Target
				Original Target	Adjusted Target		
To address shortcomings by improving library services and maintenance	Shortcomings at various libraries addressed according to the approved project business plan	Addressing shortcomings at various libraries according to the approved project business plan at a cost of R400 000 by June 2012	Shortcomings addressed R212 586 Project completed Shortcomings addressed R212 586 Project completed	Addressing shortcomings at various libraries according to the approved project business plan at a cost of R400 000 by June 2013	N/A	None R 8,941	Improving shortcomings at various libraries according to the approved project business plan at a cost of R400,000 by June 2014
To provide a library service in Khuma to provide educational and recreational facilities for the intellectual upliftment of the community	m² Community library in Khuma Ext 8 built	Building a 681,39m² community library in Khuma Ext 8 at a cost of R4 000 000 by May 2012	681,39m² Library completed R3 435 104	Building a 681,39m² community library in Khuma Ext 8 at a cost of R1 658 556 by September 2012	R564 896 by September 2012 March 2013 (CC 98/2012 dated 21/08/2012	681,39m² Library completed. R 828 852	Equipping the 681,39m² community library in Khuma Ext 8 as per equipment list and installing of an irrigation system (as per quotation) at a cost of R83 000 by December 2013

# Chapter 3

## 3.13 CEMETERIES

### INTRODUCTION TO CEMETERIES

The City of Matlosana manages 23 cemeteries. Crematorium services are rendered by a private company. Matlosana does not currently face the common problem encountered by other local municipalities as regards the shortage of land, as the necessary land was identified and new cemeteries developed.

The top three priorities for the section are to:

- ▶ Render effective and affordable cemetery services to the local community
- ▶ Plan and develop new cemeteries to meet the needs of the community
- ▶ Educate the community on alternative burial options to alleviate pressure on land usage

Impacts on top priorities:

- ▶ The department contained the increment on burial fees
- ▶ The department promotes the reopening of graves to save land by appointing contractors in the various areas.

### SERVICE STATISTICS FOR CEMETERIES

INDICATOR	2010/11	2011/12	2012/13
<b>CEMETERIES</b>			
▶ Burials	3 600	3 417	3 458
■ Adults			2 726
■ Children			381
■ Re-openings			351
▶ Memorials	909	1 184	1 088
<b>Expenditure</b>	R9 043 200	R10 489 157	R10 755 789
<b>Income</b>	R1 016 710	R1 314 573	R1 330 016

### EMPLOYEE INFORMATION

EMPLOYEES: CEMETERIES						
Job Level	2011/12		2012/13			
	Employees No.	Posts No.	Employees No.	Vacancies / Over Complement No.	Vacancies (as a % of total posts) %	
0 – 3	0	0	0	0	0	0%
4 – 6	1	1	1	0	0	0%
7 – 9	1	2	1	1	50%	
10 – 12	12	13	12	1	8%	
13 – 15	4	5	4	1	20%	
16 – 18	5	5	5	0	0%	
19 – 20	42	37	38	-1	-3%	
<b>Total</b>	<b>65</b>	<b>63</b>	<b>61</b>	<b>2</b>	<b>3%</b>	

# Chapter 3

Details	2011/12	2012/13				R'000 Variance to Budget*
	Actual	Original Budget	Adjustment Budget	Actual		
Total operational revenue	1 315	1 579	1 579	1 330	-18,72%	
Expenditure:						
Employees	7 865	8 070	8 103	8 191	1.48%	
Repairs and maintenance	332	652	655	276	-136.23%	
Other	2 292	2 001	1 882	1 224	-63.48%	
Total operational expenditure	10 489	10 723	10 640	9 691	-10.65%	
Net operational expenditure	(9 174)	(9 144)	(9 061)	(8 361)	-9.36%	

\*Variances are calculated by dividing the difference between the Actual and Adjustment Budget by the Actual.

## COMMENTS ON THE PERFORMANCE OF CEMETERIES OVERALL

As regards the development of a new regional cemetery to serve the communities of Kanana and Jouberton, the balance of the project fund will be utilised during the 2013/14 financial year for fencing, infrastructure (water) and ablution facilities.

MIG-funded projects for the 2013/14 financial year in the amount of R6,3 million for the construction of access roads to the Kanana, Jouberton and Tigane cemeteries were approved.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 180)

CEMETERY OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	Target
				Original Target	Adjusted Target		
To develop Jouberton regional cemetery infrastructure to enhance service delivery	Jouberton regional cemetery infrastructure developed	-	-	Developing the infrastructure (1 ablution facility, 1 water supply and 1,6 Kilometres of fencing) at Jouberton regional cemetery at a cost of R1 200 000 by June 2013	N/A	1,6 Kilometres of Fencing completed. R126 564	Developing the remaining infrastructure (6 Toilet facility and 1 x 2Kilometres of water pipeline ) at Jouberton central cemetery at a cost of R500 000 by June 2014

# Chapter 3

## 3.14 PARKS, FAAN MEINTJES NATURE RESERVE, AERODOME AND ORKNEY VAAL

### INTRODUCTION TO PARKS

#### PARKS

The Parks and Development section aims to manage and develop a pleasing, aesthetic and effective environment to aid in the well-being of the residents in our community.

The three top priority delivery areas are:

- ▶ To improve the surrounding environment within the community and urban spaces in regard to the greening thereof
- ▶ To maintain these created environments in an effective and productive manner, with emphasis on cost-effectiveness
- ▶ To promote environmental awareness and the preservation of biodiversity to create a sustainable planet.

With regard to measures taken to achieve this, the following:

- ▶ New mega parks are planned for future development in the respective towns, within the IDP framework. Maintenance of open spaces is done within the resource capacity of the section, within the constraints imposed by antiquated vehicles. Areas are cut and maintained according to pre-scheduled sectional plans to ensure value for money.
- ▶ The section hosts annual arbour events which inter alia target schools in an organised manner. The community is involved in greening of all the town entrances with trees and other plantings. Business organisations and police stations participate in these highly successful events.

#### FAAN MEINTJES

The objective of the nature reserve is to render an environmental educational service to the community and to promote local tourism in the region.

In terms of its objective, Council has started over a period to develop an environmental education centre. Rapid progress was made during 2011/12 and the centre is currently 99% completed – on retention (snack list to be completed by Council).

Once operational, the centre will benefit the community in the following ways:

- ▶ Educate the community (emphasis on schools)
- ▶ Create jobs for SMMEs (tour guides, catering, transport etc.)
- ▶ Promote local tourism
- ▶ Attract future investment opportunities

# Chapter 3

## SERVICE STATISTICS FOR PARKS

INDICATOR	2010/11	2011/12	2012/13
<b>AERODROME</b>			
► Aerodrome – cut grass	3	2	2
<b>Expenditure</b>	R 3 720	R 3 720	R 3 720
<b>NATURE RESERVE</b>			
► Day visitors	Not available	3 840	3 576
► Vehicles / Buses	Not available	Not available	1 248
► Accommodation and functions	Not available	Not available	411
<b>Expenditure</b>	R908 293	R982 888	R 1 008 397
<b>Income</b>	R200 000	R241 374	R 233 513
<b>TREES</b>			
► Trimmed	9 600	4 696	4 155
<b>AUCTION KRAALS</b>			
◆ Total auctions	50	52	52

## EMPLOYEE INFORMATION

EMPLOYEES: PARKS, FAAN MEINTJES NATURE RESERVE AND ORKNEY VAAL					
Job Level	2011/12		2012/13		
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %
0 – 3	1	1	1	0	0%
4 – 6	2	2	2	0	0%
7 – 9	8	10	9	1	10%
10 – 12	10	10	10	0	0%
13 – 15	38	39	35	4	10%
16 – 18	27	30	26	4	13%
19 – 20	125	126	123	3	2%
Total	211	218	206	12	6%

# Chapter 3

FINANCIAL PERFORMANCE 2012/13 : PARKS (INCL. FAAN MEINTJIES, ORKNEY VAAL, AERODROME AND AUCTION KRAAL)					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	536	386	386	233	-65,67%
Expenditure:					
Employees	762	852	872	726	-17,36%
Repairs and maintenance	38	71	66	32	-121,88%
Other	3 732	377	382	243	-77,00%
Total operational expenditure	4 532	1 300	1 320	1 001	-33,88%
Net operational expenditure	(3 996)	(914)	(934)	(768)	-23,85%

\* Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENT ON THE PERFORMANCE OF PARKS

Dr. Kenneth Kaunda District Municipality funded the N12 Beautification project to the amount of R3 million. Phase 1, from Ada Avenue to Oosthuizen Avenue has been completed.

Normal operations were conducted during the 2012/13 financial year.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4 – Organisational Development Performance (Part II) on page 181)

PARKS OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	Target
				Original Target	Adjusted Target	Actual	
To equip an environmental education centre at Faan Meintjes to ensure capacity building in the community	Environmental educational centre at Faan Meintjes Nature Reserve (additional funding). Built and equipped	Building and equipping an environmental educational centre at Faan Meintjes Nature Reserve (additional funding) at a cost of R2 321 740 by June 2012	Environmental educational centre built R1 976 642	Equipping the environmental educational centre at Faan Meintjes Nature Reserve (additional funding) at a cost of R2 500 000 March 2013	R118,841 CC25/2013 dated 28/02/2013	98% completed – on retention. R118 840	N/A

# Chapter 3

## COMPONENT F: HEALTH

### INTRODUCTION TO HEALTH

The National Health Act 61 of 1993 Section 25 and 32 respectively clearly stipulate the functions of the Provincial Health Department as regards the rendering of primary health centre services and the role that municipalities have to play in this regard. Only district and metropolitan municipalities are legally bound to render such services. The City of Matlosana as law-abiding institution complied with this obligation, hence the employees that remained as provincialisation was unfolding, were integrated into the municipal departments and the professional nurses were subsequently utilised in establishing an occupational health centre as there was a need for such a facility.

### 3.15 OCCUPATIONAL HEALTH CENTRE

#### INTRODUCTION TO OCCUPATIONAL HEALTH CENTRE

During the devolution of the Environmental Health Services Unit, the function of the management and processing of the indigent and pauper burials had to continue as per Regulation 636 Sections 11, 30, 32, 34 and 35 of the National Health Act 61 of 1993, and since it was done by this unit we then inherited and continued with it.

#### CHALLENGES

- ▶ The integration of non-professional employees into other municipal departments was an enormous task that was carried out with the assistance of Human Resources Performance Management
- ▶ The proposed budget for the new Occupational Health Centre had to go through a lot of scrutiny to clarify its legality and sustainability.
- ▶ Managing employees who were at the clinic before the integration presented problems, as there were two managements, one from the municipality and one from the Provincial Health Office, which was confusing and frustrating to employees.
- ▶ Occupational health is still a new concept within the municipal sphere; it was difficult moving over to this new concept as employees still understood it to be primary health care.
- ▶ Currently the unit is placed within community services, which is actually a human resource function, and the approval of the new organogram will help with the smooth running and the proper building of a structure for the particular purpose of the Centre, as is the case with other benchmark municipalities.

#### AIMS OF OCCUPATIONAL HEALTH SERVICES AS FORMULATED BY THE WORLD HEALTH ORGANISATION

- ▶ Protect workers from hazards at work (protection and prevention principle).
- ▶ Adapt work and the work environment to the capabilities of workers (adaptation principle).
- ▶ Enhance the physical, mental and social well-being of workers (health-promotion principle), as well as their ability to conduct a socially and economically productive life.

# Chapter 3

- ▶ Minimise the consequences of occupational hazards, accidents and injuries, and occupational and work-related diseases (the cure and rehabilitation principle).
- ▶ Provide general health-care services for workers and their families, both curative and preventive, at the workplace (the primary health-care principle).

## KPAs OF AN OCCUPATIONAL HEALTH SERVICE

- ▶ Medical surveillance of employees:
- ▶ Pre-employment, periodical and exit medical examinations
- ▶ Fitness for work / duty assessments
- ▶ Primary medical care of employees and injuries on duty
- ▶ HIV care / disease management
- ▶ Medical evaluation of employees
- ▶ Work incapacity or disability
- ▶ Recurrent sick leave
- ▶ Reintegration and rehabilitation of sick employees
- ▶ On-the-shop-floor occupational health monitoring

## SERVICE STATISTICS FOR THE OCCUPATIONAL HEALTH CENTRE

INDICATOR	2011/12	2012/13
<b>General</b>		
Head count of the centre	1 134	1 447
Meetings	12	17
Hepatitis vaccinations	27	25
Health promotions	15	73
Flu vaccinations	75	144
<b>HIV/AIDS Statistics</b>		
Screened	109	178
Counselled	109	169
Tested	27	132
Non-reactive	24	117
Reactive	4	7
Referred for ARV	3	4
Blood samples taken	5	16
On treatment	8	10

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<b>TB Statistics</b>		
Screened	44	34
Sputum collected	37	22
Negative	20	15
Positive	3	5
Referred to clinic	1	3
On treatment	3	1
<b>Family Planning</b>		
Injectables	63	111
Oral contraceptives	73	171
Male condoms (various departments)	8 440	12 780
Female condoms	357	439
Pap smears	0	16
<b>Chronic Diseases – Hypertension</b>		
Total patients seen	126	192
New diagnosis	31	6
Referred / treated	28	5
Referred to doctor	3	3
Referred to Hospital	11	3
Uncontrolled	5	12
On treatment	65	88
<b>Chronic Diseases – Asthma</b>		
Total patients seen	126	12
New diagnosis	31	6
<b>Chronic Diseases – Diabetics</b>		
Total patients seen	45	96
New diagnosis	4	44
Referred / treated	7	3
Referred to hospital	4	10
Uncontrolled	7	10
On treatment	16	33
<b>Chronic Diseases – Minor Ailments</b>		
Total patients seen	45	726
New diagnosis	4	94
Referred / treatment	7	9
Referred to doctor	0	4
Referred to hospital	4	14
<b>Mental illness / Epilepsy</b>		
Total patients seen	0	10
New diagnosis	0	2
Referred to hospital	0	1
On treatment	0	3
<b>Injury on duty</b>		
Total patients seen	0	16
Referred to hospital	0	8

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INDICATOR	2011/12	2012/13	COST (R)
<b>Indigents</b>			
► Adults	63	106	280 900
► Children	0	5	7 925
► Babies	24	49	51 940
<b>Paupers</b>			
► Adults	14	5	13 250
► Babies	1	2	2 210
<b>Expenditure</b>		R240 078	R356 135

## EMPLOYEE INFORMATION

Job Level	2011/12		2012/13			Vacancies (as a % of total posts)	
	Employees	Posts	Employees	Vacancies			
		No.		No.			
0 – 3	1	1	1	0		0%	
4 – 6	4	4	3	1		25%	
7 – 9	3	3	3	0		0%	
10 – 12	2	2	1	1		50%	
13 – 15	9	5	4	1		20%	
16 – 18	0	0	0	0		0%	
19 – 20	8	1	1	0		0%	
Total	27	16	13	3		19%	

Details	2012/13					Variance to Budget*	
	Actual	Original Budget	Adjustment Budget	2012/13			
				2011/12	Actual		
Total Operational Revenue	49	67	172		137	51.09%	
Expenditure:							
Employees	4 378	5 772	5 215		3 669	-57.32%	
Repairs and Maintenance	0	19	19		2	-8.50%	
Other	1 997	2 695	2 569		1 902	-41.69%	
Total Operational Expenditure	6 375	8 486	7 803		5 573	-52.27%	
Net Operational Expenditure	(6 326)	(8 419)	(7 631)		(5 436)	-54.87%	

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

# Chapter 3

## COMPONENT G: SECURITY AND SAFETY

This component includes: Traffic, Security, Municipal Court, Fire and Disaster Management.

### 3.16 TRAFFIC, SECURITY AND MUNICIPAL COURT

#### INTRODUCTION TO TRAFFIC, SECURITY AND MUNICIPAL COURT

The aim of the section is to promote road traffic safety throughout the city in order to reduce road accidents, fatalities and injuries, as well as to combat road traffic offences that contribute to accidents; and to safeguard and secure Council assets so as to combat theft within the municipality.

The following key functions are performed in the section:

- ▶ Road safety: road safety campaigns were conducted among the community. A total of 34 campaigns were conducted in the 2012/2013 financial year.
- ▶ Issuing and serving of warrants: an income of R1 147 305 was generated during the 2012/13 financial year.
- ▶ Road blocks: these were held to ensure road safety and free traffic flow. 15 road blocks were held within the KOSH area in conjunction with the SAPS and Commandos.
- ▶ Administration logistics: an income of R4 988 790 was generated during the 2012/13 financial year.

TRAFFIC SERVICE DATA				
Details	2011/12	2012/13		2013/14
	Actual No.	Estimated No.	Actual No.	Estimated No.
1 Number of road traffic accidents during the year	3 528	6 426	2 649	4 752
2 Number of by-law infringements attended	21 903	25 718	13 381	26 762
3 Number of police officers in the field on an average day	44	44	43	44
4 Number of police officers on duty on an average day	56	56	55	56

#### SERVICE STATISTICS FOR TRAFFIC AND SECURITY SERVICES

STATISTICS	2010/11	2011/12	2012/13
<b>Traffic Violations</b>			
Section 56 Summons:			
▶ Speed	1 564	2 576	413
▶ Other	10 369	11 221	9 373
Section 341 Notices:			
▶ Parking meters	15 222	17 615	1 724
▶ Other parking offences	10 862	7 829	10 325
▶ Cameras: speed and robot	80 573	100 463	55 675
<b>TOTAL</b>	<b>118 590</b>	<b>139 704</b>	<b>77 510</b>

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<b>Total income from Traffic Court</b>			
▶ Bail money(not council revenue)	32 950	38 150	25 750
▶ Admission of guilt paid (criminal)	105 750	108 400	253 050
▶ Court fines	601 650	557 300	291 550
▶ Provincial court fines	1 900	4 050	11 900
<b>TOTAL</b>	<b>742 250</b>	<b>70 7900</b>	<b>582 250</b>
<b>Summons issued</b>			
Section 56 Summons issued – traffic officers			
▶ Speed	1 564	2 576	413
▶ Other	10 369	11 221	9 373
Summons issued – unpaid Section 341 Notices	11 084	14 231	1 548
<b>TOTAL</b>	<b>23 017</b>	<b>28 028</b>	<b>11 334</b>
<b>Cases withdrawn by senior public prosecutor as a result of representations:</b>			
▶ Section 56 Summons	343	834	280
▶ Section 341 Notices	668	2 026	862
▶ Camera cases	2 515	2 715	1 366
<b>TOTAL</b>	<b>3 526</b>	<b>5 575</b>	<b>2 508</b>
<b>Admission of guilt</b>			
Magistrate's Court	1 665 288	905 160	507 150
Matlosana Traffic Court			
▶ Contempt of court	351 150	334 350	407 400
▶ Warrants of arrest	609 100	707 080	1 153 905
▶ Easy Pay	1 595 247	2 897 070	2 051 035
At Traffic Department			
▶ Section 56 Summons	2 899 660	3 844 372	98 600
▶ Section 341 Notices	379 790	323 115	1 198 100
<b>TOTAL</b>	<b>7 500 235</b>	<b>9 011 147</b>	<b>5 416 190</b>
<b>Total income per annum</b>			
▶ Traffic fines	7 500 235	9 011 147	5 416 190
▶ Parking meters – ADO	366 706	108 179	15 247
▶ Accident reports	19 580	17 661	16 349
▶ Income from parking grounds	22 753	124 414	15 123
▶ Escort fees			
■ Abnormal loads	15 552	1 764	0
■ Fun runs / road races / cycle races / temporary closing of streets	109 510	19 723	220 586
▶ Hawkers	38 832	48 310	2 984
<b>TOTAL</b>	<b>8 073 168</b>	<b>9 331 198</b>	<b>5 686 479</b>
<b>Parking meters – ADO</b>			
▶ Number of parking meters	162	162	162
▶ Number of operating parking meters	162	162	162

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<b>Arrests (driving while under the influence of intoxicating liquor)</b>				
▶ Males	718	454	521	
▶ Females	7	11	3	
<b>TOTAL</b>	<b>725</b>	<b>465</b>	<b>524</b>	
<b>Escorts / special services rendered</b>				
▶ Abnormal loads	252	206	256	
▶ Funerals	351	294	318	
▶ Fun runs / road race / cycle races	8	9	8	
▶ Street festival	1	9	2	
▶ Street braai / street closure	111	17	57	
<b>TOTAL</b>	<b>723</b>	<b>535</b>	<b>641</b>	

## EMPLOYEE INFORMATION

EMPLOYEES: TRAFFIC, SECURITY, MUNICIPAL COURTS AND TECHNICAL SERVICES					
Job Level	2011/12		2012/13		
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %
0 – 3	2	2	2	0	0%
4 – 6	3	3	3	0	0%
7 – 9	16	17	17	0	0%
10 – 12	53	54	52	2	4%
13 – 15	21	21	21	0	0%
16 – 18	26	26	26	0	0%
19 – 20	49	49	49	0	0%
<b>Total</b>	<b>170</b>	<b>172</b>	<b>170</b>	<b>2</b>	<b>1%</b>

FINANCIAL PERFORMANCE 2012/13 : TRAFFIC, SECURITY, MUNICIPAL COURTS AND TECHNICAL SERVICES					
Details	2011/12		2012/13		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	8 910	13 873	8 090	6,201	-123.72%
Expenditure:					
Employees	26 609	26 997	27 878	32,873	17.87%
Repairs and maintenance	2 050	2 269	2 552	1,103	-105.71%
Other	16 652	22 922	22 143	14,567	-57.36%
<b>Total operational expenditure</b>	<b>45 311</b>	<b>52 187</b>	<b>52 575</b>	<b>48,543</b>	<b>-7.51%</b>
<b>Net operational expenditure</b>	<b>(36 401)</b>	<b>(38 314)</b>	<b>(44 485)</b>	<b>(42,342)</b>	<b>9.51%</b>

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

# Chapter 3

## 3.17 FIRE AND DISASTER MANAGEMENT

### INTRODUCTION TO FIRE AND DISASTER MANAGEMENT

#### FIRE AND RESCUE SERVICES

The section focus mainly on legal requirements as per SANS 100: 90 "Community protection against fire" as well as the Fire Brigade Act 1987.

Key areas are to:

- ▶ Save lives
- ▶ Render humanitarian services
- ▶ Prevent further destruction of property involved in fires

Focus areas for the section was law enforcement, with which most business complied, as well as community fire orientation. The section also managed to establish an FPA Committee, which will focus on veld fires in the area, in terms of Act 101 of 1998.

A success currently with this initiative is knowing landowners and the general co-operation obtained during veld or bush fires.

#### DISASTER MANAGEMENT

This responsibility also lies with the Assistant Director Fire. The municipality appointed a Senior Disaster Risk Manager in the section and managed to establish a fully functional office, as well as a Disaster Risk Management Centre with local centre status. The disaster risk management policy is 95% completed, with sectional contingency plans and contingency plans for sector departments in place. The Local Disaster Risk Management Committee is not functional, but the intention is to launch it in the near future.

In the absence of an adopted policy the guidance provided by the following is used:

- ▶ Disaster Management Act 2002
- ▶ The District Disaster Risk Management Centre
- ▶ The National Framework 2005

During disasters the community benefits from assistance with blankets and mattresses, with the section liaising with Social Welfare and SASSA for additional assistance. If RDP houses are involved, Disaster Management reports to the relevant sections, in collaboration with the provincial structures and sectoral departments.

This office always tries to co-ordinate scenes and events in our jurisdiction and fulfils an assisting role. Information to substantiate the above is available for inspection at the local centre.

# Chapter 3

FIRE AND DISASTER MANAGEMENT DATA				
Details	2011/12	2012/13	2013/14	
	Actual No.	Estimate No.	Estimate No.	
1 Total fires attended in the year	238	300	350	
2 Total of other incidents attended in the year	6 766	7 000	7 000	
3 Average turnout time – urban areas	3 to 5 minutes	3 to 5 minutes	3 to 5 minutes	
4 Average turnout time – rural areas	7 to 10 minutes	7 to 10 minutes	7 to 10 minutes	
5 Fire fighters in post at year end	60	58	80	
6 Total fire appliances at year end	9	11	15	

This section fully complies with turnout times as per SANS 100: 90, which gives guidelines with regard to turnout times.

Emergency calls are captured in an incident book as well as on a voice logging device in the control room.

The emergency numbers are:

- ▶ 018 462 2222
- ▶ 081 464 8020
- ▶ 018 464 8060
- ▶ 080 086 4997 (toll-free number)

Response times are captured when information is reported to the control room. This includes the dispatch time and time of arrival back at the station.

## SERVICE STATISTICS FOR FIRE AND DISASTER MANAGEMENT

DESCRIPTION	2010/11	2011/12	2012/13
Fire suppression	229	238	239
Public education	2 051	1090	19
Building plans	1 298	1244	1 177
Site inspections – new	1 374	53	15
Site inspections – re-inspections	17	17	7
Flammable liquid registrations	92	92	109
Fire hydrant maintenance/inspection	1802	1802	2 050
Grass fires	563	563	454
Training	18	18	9
Trade licences	575	575	429
Transport permits	397	397	425
Complaints	5	5	3
Pre-burn inspections	0	0	0
Pre-burns	111	111	18
Rescues	201	201	178

# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: FIRE AND DISASTER MANAGEMENT						
Job Level	2011/12		2012/13			Vacancies (as a % of total posts)
	Employees	No.	Posts	Employees	No.	
0 – 3	1	1		1	0	0%
4 – 6	4	4		4	0	0%
7 – 9	22	22		22	0	0%
10 – 12	9	9		9	0	0%
13 – 15	39	39		39	0	0%
16 – 18	1	1		1	0	0%
19 – 20	5	5		5	0	0%
Total	81	81		81	0	0%

FINANCIAL PERFORMANCE 2012/13 : FIRE & DISASTER MANAGEMENT					
Details	2011/12		2012/13		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	644	85 511	443	644	31.21%
Expenditure:					
Employees	17 460	16 892	21 270	20 578	17.91%
Repairs and maintenance	744	1 012	1 001	499	-102.81%
Other	6 751	5 449	4 927	2 253	-141.96%
Total operational expenditure	24 955	23 353	27 198	23 330	-0.10%
Total operational revenue	(24 311)	62 158	(26 755)	(22 686)	-373.99%

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 181)

FIRE AND DISASTER MANAGEMENT OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	
				Original Target	Adjusted Target	Actual	
To purchase fire bush units to improve service and quality of life	Number of 4x4 bush fire units purchased	-	-	Purchasing two 4x4 bush fire units for the KOSH area for fighting bush fires at a cost of R1 200 000 by December 2012	R448,735 CC98/2012 dated 21/08/2012 March 2013 CC 8/2013 dated 31/01/2013	3 4x4 bush fire units purchased. R447 988	N/A

COMMENT ON THE PERFORMANCE OF FIRE AND RESCUE SERVICES OVERALL

# Chapter 3

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums and swimming pools.

### 3.18 SPORT AND RECREATION

#### INTRODUCTION TO SPORT AND RECREATION

The Sport and Recreation Section is responsible for establishing a positive attitude in the community towards sport and recreation and to encourage greater community involvement and interest in sport and recreation.

The three main service delivery priorities are:

- ▶ Maintenance and preparation of all sports facilities
- ▶ Promotion of sport events by good administration of the section
- ▶ Maintenance and preparation of all sports facilities

The preparation and maintenance of 28 sports complexes, including the Oppenheimer Stadium, remains a huge challenge. Sports facilities include:

- ▶ Sports stadiums
- ▶ Swimming pools
- ▶ A golf course
- ▶ Bowling greens

The section meets every Wednesday to discuss the works programme and schedule of the week.

Preparation of facilities before events:

- ▶ Preparation of bowling greens, cricket pitches, golf greens and swimming pools
- ▶ Marking fields for events and moving around equipment
- ▶ Purchasing maintenance and cleaning material
- ▶ Obtaining quotations, works orders and other administration, e.g. leave books, orders etc.

The Sports Section promotes sports by hosting several events. This includes the following, inter alia:

- ▶ Sports administration and coaching courses
- ▶ Sports tournaments, e.g. the Mayor's Tournament
- ▶ Swimming galas
- ▶ The sports merit function

# Chapter 3

## SERVICE STATISTICS FOR SPORT AND RECREATION

INDICATOR	2010/11	2011/12	2012/13
<b>Swimming Pools</b>			
► Visitors – all pools	2 935	11 463	10 360
► Gala events	1	1	1
<b>Expenditure</b>	R499 499	R523 918	R452 650
<b>Income</b>	R14 676	R57 713	R51 800
<b>Recreation</b>			
◆ Total major events	6	3	5
<b>Expenditure</b>	Costs consolidated	R60 943	R81 756

## EMPLOYEE INFORMATION

EMPLOYEES: SPORT AND RECREATION					
Job Level	2011/12		2012/13		
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %
0 – 3	0	0	0	0	0%
4 – 6	1	1	1	0	0%
7 – 9	4	4	4	0	0%
10 – 12	12	17	12	5	29%
13 – 15	15	15	14	1	7%
16 – 18	12	12	12	0	0%
19 – 20	58	64	58	6	9%
<b>Total</b>	<b>102</b>	<b>113</b>	<b>101</b>	<b>12</b>	<b>11%</b>

FINANCIAL PERFORMANCE 2012/13: SPORT & RECREATION					
Details	R'000				
	2011/12	Actual	Original Budget	Adjustment Budget	2012/13
Total operational revenue	931	506	218	241	-109,96%
Expenditure:					
Employees	12 343	11 750	12 150	13 499	12,96%
Repairs and maintenance	2 285	2 497	2 298	2 060	-21,21%
Other	4 428	4 825	5 199	3 676	-31,26%
<b>Total operational expenditure</b>	<b>19 056</b>	<b>19 072</b>	<b>19 647</b>	<b>19 235</b>	<b>0,85%</b>
<b>Net operational expenditure</b>	<b>(18 125)</b>	<b>(18 566)</b>	<b>(19 429)</b>	<b>(18 994)</b>	<b>2,25%</b>

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

# Chapter 3

OBJECTIVES TAKEN FROM IDP (Complete Performance Report available in Chapter 4: Organisational Development Performance (Part II) on page 182)

SPORT AND RECREATION OBJECTIVES TAKEN FROM IDP: 2012/13							
Service Objectives	Service Indicators	2011/12		2012/13			2013/14
		Target	Actual	Target		Target	Target
				Original Target	Adjusted Target	Actual	
To upgrade Council sports facilities so as to maintain ageing infrastructure	Kanana sports stadium upgraded	-	-	Upgrading of the Kanana sports stadium as per business plan at a cost of R2 000 000 by June 2013	N/A	Project not started yet. R17 393	Upgrading of the Kanana sports stadium as per business plan at a cost of R1 980 000 by June 2014
	Khuma sports stadium upgraded	-	-	Upgrading of the Khuma sports stadium as per business plan at a cost of R3 000 000 by June 2013	N/A	Only fence and electricity done. Project 3,5% completed. R103 760	Upgrading of the Khuma sports stadium as per business plan at a cost of R2 896 240 by June 2014
	Alabama sports stadium upgraded	-	-	Upgrading of the Alabama sports stadium as per business plan at a cost of R2 000 000 by June 2013	N/A	Fence courts completed. Project 25% completed. R421 200	Upgrading of the Alabama sports stadium as per business plan at a cost of R1 578 800 by June 2014
	Tigane stadium upgraded	-	-	Upgrading of the Tigane stadium as per programme at a cost of R2 000 000 by June 2013	N/A	Project not started yet. R18 259	Upgrading of the Tigane stadium as per programme at a cost of R1 980 000 by June 2014

## COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL

It was difficult for the section to execute projects due to the lack of funding.

# Chapter 3

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices; strategic planning and regulatory; financial services; human resource services; ICT services; and property services.

### INTRODUCTION TO CORPORATE POLICY OFFICES

Chapter 7 of the Constitution of the Republic of South Africa states that a municipality comprises councillors, officials and the community. In order for the municipality to govern its affairs correctly it must consult with the community to ensure that needs are correctly determined, explained and included in the IDP for service delivery purposes.

Policies must be put in place which will address the needs of the community in terms of how service delivery matters will be addressed.

In order for the municipality to be able to address service delivery matters, the municipality must within limits approve a budget that will be commensurate with the needs/projects identified for the particular year. This budget must also address staff matters, and this can only be achieved through a costed organogram that must be cost-effective but that also provides sufficient management and other positions in order for the municipality to be able to render effective and satisfactory services.

Management must ensure that tools of the trade are made available to staff. This includes ICT services and networks, including the necessary licences.

In order for the municipality to finance service delivery it must ensure that the budgetary expenditure will be redeemed through cash collection that will be generated by payment for services. Payment for services will be covered by payment for rates and taxes and will include proper and sufficient municipal service delivery networks such as water pipes and reservoirs as well as sewer and electrical networks, and plant and equipment.

### 3.19 EXECUTIVE AND COUNCIL

This component includes the executive office (mayor; councillors; and municipal manager).

### INTRODUCTION TO EXECUTIVE AND COUNCIL

In terms of chapter 7 section 151 (2) of the Constitution of the Republic of South Africa, 101 of 1996, the executive and legislative authority of a municipality is vested in its municipal council.

The municipal council of the City of Matlosana is established as a municipality with a mayoral executive system which is combined with a ward participatory system in terms of chapter 12 of the Municipal Structures Act, 117 of 1998. Section 152 of the Constitution categorically and clearly spells out the objectives of local government, and the powers and functions of municipalities are determined in section 156 of the Constitution.

# Chapter 3

The executive authority of the Council vests with the Executive Mayor, who must however report to Council and is assisted by the members of the Mayoral Committee established by the Executive Mayor and who may make decisions. However, there are certain matters on which the Executive Mayor as the head of the municipality cannot make decisions, i.e. the approval of the budget, the IDP and by-laws, as these matters cannot be delegated and must be approved by Council.

In terms of delegation of powers certain matters may be delegated by Council to the Executive Mayor, who will in turn sub-delegate to the Municipal Manager. The Municipal Manager may also sub-delegate to directors, who may in turn further sub-delegate to other officials.

Section 152 of the Constitution sets among others the following objectives for Local Government:

- (a) to provide democratic and accountable government for local communities
- (b) to ensure the provision of services to communities in a sustainable manner
- (c) to promote social and economic development

In order to ensure sustainable service delivery to the community, Council sets the top three service delivery priorities as follows in order to achieve good governance levels:

- ▶ Risk management: Council has developed risk management strategy or policy that enables Council to conduct a risk assessment, something that has already been done. This exercise also enabled Council to develop a plan on internal controls to mitigate and control risk
- ▶ Internal audit: Council has established the Audit Committee, which sits regularly, assisting in assessing of and reporting on risk management and other matters relating to good governance
- ▶ Accounting and auditing: Council has established the Audit Committee, which assists in reviewing the annual financial statements and also monitors the effectiveness of the internal controls and risk management

## SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

DETAIL	2010/11		2011/12		2012/13	
	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings	Ordinary Meetings	Special Meetings
Finance and Debt Normalisation	8	6	8	6	7	3
Corporate Governance	8	1	8	1	7	1
Transversal Issues	8	1	8	1	7	1
Infrastructure	8	1	8	1	7	0
Public Safety	8	0	8	0	7	0
Community and Health Services	8	0	8	0	7	0
Economic Growth and Market	8	0	8	0	7	0
Electrical Engineering	-	-	-	-	7	0
Housing, Land Affairs & Rural Development	8	0	8	0	7	1
Sport, Arts and Culture	-	-	-	-		2
MPAC	-	-	-	-	14	0

# Chapter 3

DETAIL	2010/11	2011/12	2012/13
<b>Section 80 Committee Meetings:</b>			
▶ Anglo Gold	2	1	5
▶ Project Monitoring	3	5	6
▶ Heritage Committee	0	1	0
▶ Budget Steering	13	9	8
▶ Audit Committee	1	5	5
▶ Matlosana / ISAGO@N12	-	-	3
▶ IDP Steering Committee	-	-	5

## EMPLOYEE INFORMATION

EMPLOYEES: THE EXECUTIVE AND COUNCIL (POLITICAL OFFICES, MUNICIPAL MANAGER & COUNCILLORS)					
Job Level	2011/12	2012/13			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %
0 – 3	9	12	11	1	8%
4 – 6	13	16	12	4	25%
7 – 9	3	4	4	0	0%
10 – 12	12	14	12	2	14%
13 – 15	4	5	4	1	20%
16 – 18	3	3	3	0	0%
19 – 20	0	0	0	0	0%
<b>Total</b>	<b>44</b>	<b>54</b>	<b>46</b>	<b>8</b>	<b>15%</b>

FINANCIAL PERFORMANCE 2012/13 : THE EXECUTIVE AND COUNCIL (POLITICAL OFFICES, MUNICIPAL MANAGER & COUNCILLORS)					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	14 108	18 270	20 070	87 854	79,20%
Expenditure:					
Employees	32 009	45 635	46 632	41 346	-10,37%
Repairs and maintenance	263	340	343	164	-107,32%
Other	65 179	64 171	59 931	24 987	-156,82%
<b>Total operational expenditure</b>	<b>97 451</b>	<b>110 146</b>	<b>106 906</b>	<b>66 497</b>	<b>-65,64%</b>
<b>Net operational expenditure</b>	<b>(83 343)</b>	<b>(91 876)</b>	<b>(86 836)</b>	<b>21 357</b>	<b>530,19%</b>

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

# Chapter 3

## 3.20 STRATEGIC PLANNING AND REGULATORY

In today's organisational environment, budget oriented planning or forecast methods are insufficient for the organisation to prosper. There is a need to engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, evaluate progress and make judgments as necessary to stay on track.

Strategic plans therefore identify strategically important outcomes-oriented goals and objectives against which the municipality's medium-term results can be measured and evaluated by various identified stakeholders. Annual performance plans identify the performance indicators and targets that the institution will seek to achieve in the upcoming budget year. This performance information is important for effective management, including planning, budgeting, implementation, reporting monitoring and evaluation.

As a component of its strategic plan, annual performance plan or IDP the municipality must adopt, monitor and evaluate strategies that describe the approach the institution is to follow to create and operate monitoring and evaluation systems which will produce credible, accurate information on an ongoing basis that gets used to improve service delivery and governance.

### INTRODUCTION TO STRATEGIC PLANNING AND REGULATORY

The directorate comprises the following units:

#### PERFORMANCE MANAGEMENT UNIT

The objective of Performance Management is to improve the performance of the municipality as guided by the Local Government: Municipal Systems Act 32 of 2000, as amended (MSA), Local Government: Municipal Planning and Performance Management Regulations, 2001 and Local Government: Municipal Finance Management Act, 2003 (MFMA).

Performance Management is the central management tool that assists the Council in improving service delivery by channelling the efforts of its departments and employees to meet performance targets and in so doing ensuring that the municipality achieves its strategic objectives.

It is a strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor and, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact. This system will therefore ensure that all leaders, managers and individuals in the municipality are held accountable for their actions, which should bring about improved service delivery and value for money.

# Chapter 3

## INTEGRATED DEVELOPMENT PLAN UNIT

The IDP review itself is mandatory in terms of Section 34 of the same legislation referred to above and seeks to induce life into the IDP such that it takes into account the changing priorities and planning outcomes of the City. This current version represents a third-generation IDP for the City of Matlosana and will remain in force until the completion of the term of office of the current municipal council. It seeks to emulate the previous version, a second-generation IDP that was among the best in the North West Province.

This document is a product of a broad consultative process which culminated in a successful IDP Representative Forum held on 15 April 2013 where stakeholders confirmed and approved projects for the City of Matlosana. In line with section 41 of the Constitution of the Republic of South Africa, our IDP as reviewed is accordingly informed by and aligned to the developmental priorities of our municipality and the 16 sectoral departments of our district, including some state-owned enterprises and the business community.

Our IDP is premised on the vision of a development plan that will create a caring city characterised by development, poverty alleviation and job creation. The development, poverty alleviation and job creation envisaged will be underpinned by people-driven, people-centred socio-economic development that respects and embraces the democratic values of human dignity, equality and freedom.

## INTERNAL AUDIT UNIT

Internal audit is an independent appraisal function established within the municipality to examine and evaluate the municipality's activities. The purpose of internal audit is to provide independent, objective assurance and consulting services designed to add value to and improve the organisation's operations.

The mission of Internal Audit is to provide the Accounting Officer, Audit Committee and Performance Audit Committee with independent, objective assurance and consulting services designed to add value and improve the organisation's operations.

Furthermore it helps the organisation accomplish its objectives by bringing a systematic disciplined approach to evaluating and improving the effectiveness of the risk management, internal control and governance process.

- ▶ **Risk Management.** The chief risk officer conducts a risk assessment, thereafter compiles a risk assessment report that entails the top 30 high risks based on the operational risks and strategic risks, and thereafter submits it to Internal Audit to prepare a three-year rolling plan and one-year risk based plan and performance operational plan.
- ▶ **Internal Control.** Internal Audit reviews the adequacy and effectiveness of the internal controls through operational risk-based plan based on the top 10 high risks completed within the current financial year.

# Chapter 3

- ▶ **Governance Issues.** Internal Control reviews the effectiveness of the following projects as governance issues:
  - Risk management
  - Records management
  - IT environment

## RISK MANAGEMENT

The section conducts risk assessments to compile a risk assessment report that entails the top 30 high risks based on the operational risks and strategic risks, and thereafter submit it, to Internal Audit.

### Top five risks for 2012/13 in Matlosana

- ▶ Non-completion of capital projects)
- ▶ Failure to maintain and repair vehicles and equipment in time
- ▶ Escalation of outstanding debt of Council
- ▶ Poor monitoring and control of projects funded by the municipality (e.g. bursaries offered to student, funds offered to members of the community to start businesses)
- ▶ Vandalism of facilities in the KOSH area

## MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

MPAC can request the support of both the internal and external auditors (advisory) when necessary. It should be noted that the standard rules for the council apply to MPAC. The committee shall have permanent referral of documents as they become available relating to:

- ▶ In-year reports of the municipality and municipal entities;
- ▶ Financial statements of the municipality and municipal entities as part of the committee's oversight process;
- ▶ Audit opinion, other reports and recommendations from the Audit Committee;
- ▶ Information relating to compliance in terms of sections 128 and 133 of the MFMA;
- ▶ Information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before the committee;
- ▶ Any other audit report from the municipality or its entities; and
- ▶ Performance information of the municipality and municipal entities.

## SERVICE STATISTICS FOR MPAC

DETAIL	NUMBER
Meetings held by chairperson and administration/members of public	13
Meetings held by MPAC members	26
Meetings held at provincial and district MPAC forums	8

# Chapter 3

## EMPLOYEE INFORMATION

EMPLOYEES: STRATEGIC PLANNING & REGULATORY ( PMS, IDP, INTERNAL AUDIT, RISK MANAGEMENT & MPAC)						
Job Level	2011/12		2012/13			Vacancies (as a % of total posts) %
	Employees No.	Posts No.	Employees No.	Vacancies No.		
0 – 3	2	3	3	0		0%
4 – 6	6	8	8	0		0%
7 – 9	1	2	2	0		0%
10 – 12	1	3	3	0		0%
13 – 15	1	0	0	0		0%
16 – 18	0	0	0	0		0%
19 – 20	0	0	0	0		0%
<b>Total</b>	<b>11</b>	<b>16</b>	<b>16</b>	<b>0</b>		<b>0%</b>

FINANCIAL PERFORMANCE 2012/13 : STRATEGIC PLANNING & REGULATORY ( PMS, IDP, INTERNAL AUDIT, RISK MANAGEMENT & MPAC)					
Details	2011/12		2012/13		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	-	-	-	-	0,00%
Expenditure:					
Police officers					
Other employees	7 644	2 797	3 225	4 248	34,16%
Repairs and maintenance	2	13	13	4	-225,00%
Other	9 217	1 033	708 900	695	-48,63%
<b>Total operational expenditure</b>	<b>16 863</b>	<b>3 843</b>	<b>3 947</b>	<b>4,947</b>	<b>22,32%</b>
<b>Net operational expenditure</b>	<b>(16 863)</b>	<b>(3 843)</b>	<b>(3 947)</b>	<b>(4 947)</b>	<b>22,32%</b>

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENT ON STRATEGIC PLANNING AND REGULATORY PERFORMANCE OVERALL

The directorate does not have disposal of any capital projects and its functions mainly focus on compliance with various acts and regulations.

# Chapter 3

The National Development Plan 2030 was also recently adopted. It is a long-term vision and strategic plan aimed at eliminating poverty, creating employment and reducing inequality by the year 2030. All our IDP Reviews will attempt to align our own planning to the National Development Plan in pursuit of improvement in the living conditions of all the people in Matlosana.

The scope of intervention of internal audit extends to the whole organisation and covers all administrative, accounting, financial, functional or operational processes such as:

- ▶ Financial auditing (no capacity currently)
- ▶ IT auditing (no capacity currently)
- ▶ Risk management, risk-based and compliance auditing
- ▶ Performance auditing
- ▶ Quality assurance and governance auditing

MFMA Circular 32 provides a guideline on the oversight process that councils must follow when considering the annual report and producing an Oversight Report.

The reform programmes, including the development of new Annual Reports, have progressed over the past few years and certain challenges experienced in municipalities are now being addressed in this guideline. These challenges relate to the need for continuous improvement in service delivery and the promotion of accountable and transparent governance arrangements. The guideline must be read together with MFMA Circular 32 of 15 March 2006 and addresses the institutional, functional, composition, membership, work programme and meeting arrangements of as well as reporting by the MPAC. The National Treasury and the Department of Cooperative Governance issued this Guideline jointly, after consulting with SALGA, taking into account the inputs of provinces, municipalities and the Association of Public Accounts Committees.

## **3.21 FINANCIAL SERVICES (INCLUDING SUPPLY CHAIN MANAGEMENT)**

### **INTRODUCTION TO FINANCIAL SERVICES**

This directorate deals with the administration of finances of the municipality i.e. own budget as well as the money received from Government Fiscal i.e. allocation by Government to the municipality to enhance service delivery as in MIG and equitable shares. For the municipality to have effective service delivery, budget and IDP processes must be followed so as to ensure public participation to cover all community proposals as regards projects.

The directorate must develop budget-related policies and by-laws which will govern consistent charging of moneys for services rendered to the communities.

Collection of moneys owed to Council as revenue must also be covered in terms of policy. Internal and external audits will be conducted in order to ensure management of risk and curbing of corruption while encouraging effective customer care and service.

# Chapter 3

Details of the types of account raised and recovered	DEBT RECOVERY						' 000
	2011/12		2012/13		2013/14		
	Actual for accounts billed in year	Proportion of accounts value billed that was collected in the year %	Actual for accounts billed in year	Proportion of accounts value billed that was collected %	Estimated outturn for accounts billed in year	Estimated proportion of accounts billed that was collected %	
Property rates	R 163 216	90%	R174 653	87%	R184 434	88%	
Electricity – B	-	-			R45 686		
Electricity – C	R 417 677	74%	R437 325	80%	R516 043	81%	
Water – B	-	-			R56 404		
Water – C	R 245 276	47%	R314 535	41%	R349 133	42%	
Sanitation	R 57 322	73%	R59 588	76%	R62 925	77%	
Refuse	R 45 050	65%	R46 877	62%	R67 972	63%	
Other	R 148 191	93%	R173 816	75%	R183 549	76%	

- ▶ Property rates billed annually has a collection rate of between 85% and 90%
- ▶ Electricity billed annually has a collection rate of between 74% and 80% , taking into account electricity losses and theft.
- ▶ Water billed annually has a collection rate of between 41% and 47%, with huge water losses in the municipal area
- ▶ Sanitation billed annually has a collection rate of between 70% and 77%
- ▶ Refuse billed has a collection rate of between 60% and 65%
- ▶ Other Income – other income depends on the nature of the income. Example: sale of stands

## EMPLOYEE INFORMATION

Job Level	EMPLOYEES: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT									
	2011/12		2012/13							
	Employees	No.	Posts	No.	Employees	No.	Vacancies	No.	Vacancies (as a % of total posts)	%
0 – 3		6		7		6		1		14%
4 – 6		16		22		15		7		32%
7 – 9		25		34		29		5		15%
10 – 12		80		91		77		14		15%
13 – 15		31		43		31		12		28%
16 – 18		4		4		3		1		25%
19 – 20		11		13		13		0		0%
Total		173		214		174		40		19%

# Chapter 3

FINANCIAL PERFORMANCE 2012/13: FINANCIAL SERVICES AND SUPPLY CHAIN MANAGEMENT					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*
Total operational revenue	472 160	561 784	521 605	338 579	-65.92%
Expenditure:					
Employees	35 982	46 653	41 099	39 422	(18.34)%
Repairs and maintenance	219	4 137	2 828	2 753	(50.27)%
Other	240 645	181 941	192 953	302 029	39.67%
Total operational expenditure	276 846	232 731	236 880	344 204	32.39%
Net operational expenditure	195 314	329 053	284 725	(5 625)	5949.83%

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## NATIONAL KEY PERFORMANCE INDICATORS

See pages 150 – 152 for more detail.

# Chapter 3

## 3.22 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The priorities of Human Resource Services are as follows:

- ▶ To draft a five-year Employment Equity Plan
- ▶ To appoint service providers to provide training for officials of the municipality, capacitating them as required by the Skills Development Act of 1998
- ▶ Filling of vacant positions

The municipality has since managed to draft the Employment Equity Plan, which has been adopted by the Council.

A service provider for the training interventions was successfully appointed.

Some of the critical posts identified in the 2012/13 financial year were filled and those not budgeted for or filled within the last two years were removed from the agenda. The process is ongoing.

Owing to the potential of high stress levels and injuries on duty an Employee Assistance Programme (EAP) unit has to be established that will deal with the wellness of the staff. Occupational Health Services are also part of this drive to prevent injuries on duty by identifying dangerous situations.

In order to ensure an effective workforce, the Labour Relations Unit oversees and deals with issues of conflict on duty and enforcing discipline in the workplace.

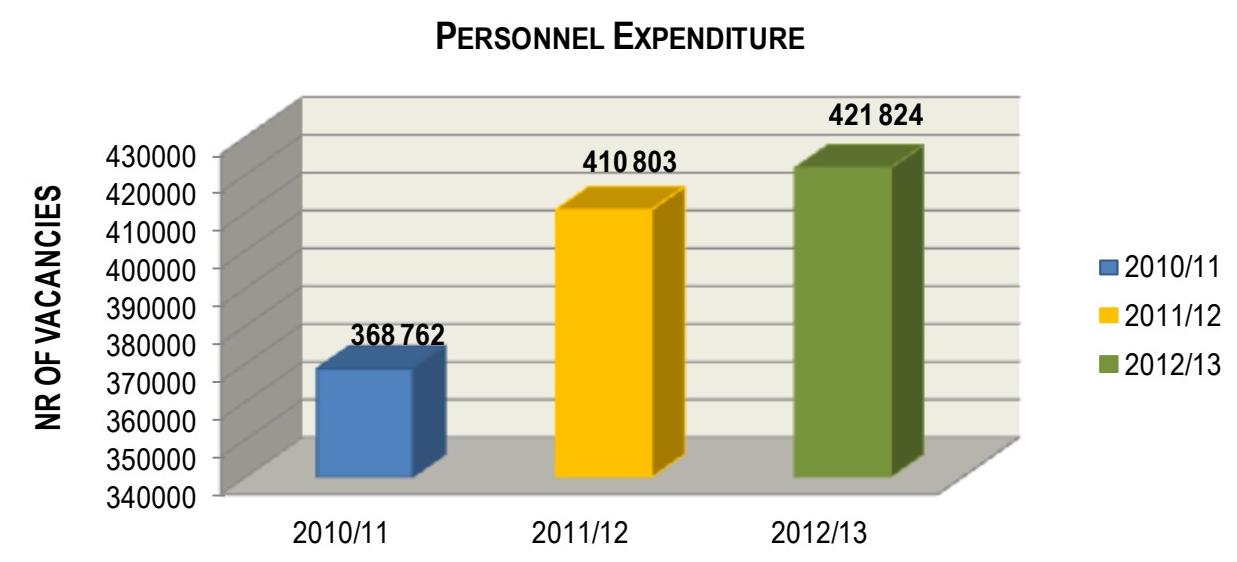
### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

#### Total personnel expenditure trends in the last three years

The following table reflects the total personnel expenditure trends from 2010/11 to 2012/13:

FINANCIAL YEAR	(R'000)	% OF TOTAL BUDGET
2010/11	368 762	24,65%
2011/12	410 803	24,03%
2012/13	421 824	24,45%

# Chapter 3

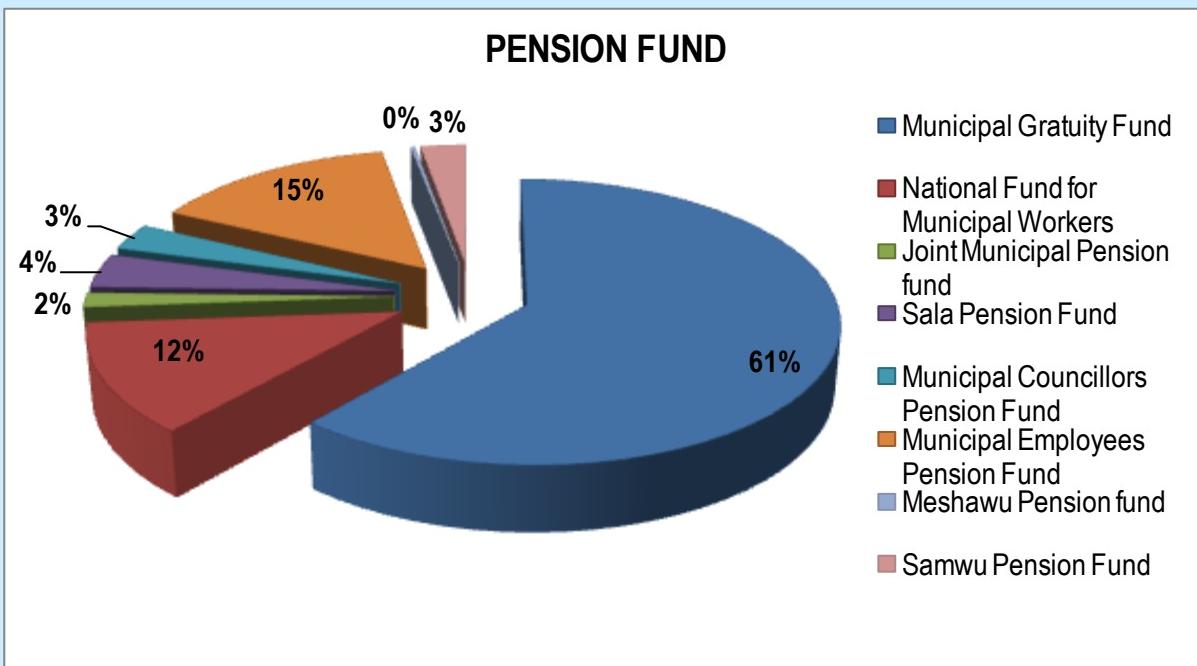


## Pension and Medical Aid Funds

Pension Fund: The composition of membership for pension and provident funds was as follows:

PENSION FUND	NUMBER OF MEMBERS	
	2011/12	2012/13
Municipal Gratuity Fund	1 409	1 368
National Fund for Municipal Workers	270	281
Joint Municipal Pension Fund	40	36
Sala Pension Fund	92	87
Municipal Councillors Pension Fund	69	68
Municipal Employees Pension Fund	347	329
Meshawu Pension Fund	5	5
Samwu Pension Fund	62	60
<b>Total</b>	<b>2 294</b>	<b>2 234</b>

# Chapter 3



The Council's actual pension fund expenditure for the 2012/13 financial year towards the employer's contribution was R54 335 789.

**Medical Aid Funds:** The medical aid funds are accredited by the South African Local Government Bargaining Council (SALGBC). The Council's actual expenditure for the 2012/13 financial year as the employer's contribution to medical aid funds was R24 029 735, while the Medical Aid for Pensioners and provision for 2012/13 are R7 978 233, which brings the total medical Aid Fund to R32 007 967.

MEDICAL AID FUND	NUMBER OF MEMBERS	EMPLOYER'S CONTRIBUTION (R)
KeyHealth	177	5 773 673,77
Hosmed	97	2 149 243,66
Bonitas	418	7 005 024,40
LA Health	344	4 457 605,80
Samwu Med	221	4 456 327,50
Pensioners and provision for contributions	221	7 978 231,54
<b>Total</b>	<b>1 478</b>	<b>31 820 106,67</b>

## Outstanding Monies

MFMA Circular 11 requires that municipalities disclose arrears (outstanding monies) by councillors / employees for the financial year.

# Chapter 3

ACCOUNTS IN ARREAR AS AT PRESENT	ARREARS: JUN-11	ARREARS: JUN-12	ARREARS: JUN-13
	(R)	(R)	(R)
Councillors	213 336	64 679	94 376
Employees	384 699	395 368	332 739

## Disclosure concerning executive councillors and directors

The following table reflects the remuneration for Executive Councillors and directors:

DESIGNATION	Remuneration (Package) (R)	
	2011/12	2012/13
Executive Mayor	673 095	824 959
Speaker	536 405	647 977
Single Whip	436 549	608 720
MMCs	5 702 225	6 087 200
MPAC	-	569 464
Councillors X56	-	13 884 360
Municipal Manager	374 666	1 179 073
Director Finance	-	1 153 900
Director Corporate Governance	225 240	945 107
Director Economic Growth	581 874	945 107
Director Municipal & Social Services	581 745	-
Director Infrastructure & Utilities	431 585	630 071
Director Strategic Planning, Monitoring and Control	-	945 107
Director Electrical and Mechanical Engineering	-	945 107

## Personnel Administration

DETAIL	2010/11	2011/12	2012/13
Pension	63	24	21
Resignations	37	21	09
Deaths	59	28	13
Other	56	15	15
IOD	65	64	34
Medical boarding in process	2	9	23
Medical boarding application	1	9	24
Death claims	59	39	11
Posts in Council	3 137	3 134	2 401
Posts filled	2 294	2 253	2 206
Posts vacant	843	884	195

# Chapter 3

## Employee Assistance Programme

DETAIL	2010/11	2011/12	2012/13
New clients	65	42	58
Old / follow-up cases	0	0	28
Closed cases	28	37	38
Total in treatment	98	108	129
In-house counselling	126	143	118
Referrals	1	17	12
Total refused referral to EAP	4	0	0

## Occupational Health and Safety

DETAIL	2010/11	2011/12	2012/13
Number of recorded incidents	43	64	37
Number of fatal incidents reported	1	0	1
Number of safety inspections conducted	54	108	131
Number of construction projects inspected	1	2	1
Number of safety audits	2	2	2
Number of public fatal injuries / drowning	1	0	1

## EMPLOYEE INFORMATION

EMPLOYEES: HUMAN RESOURCE SERVICES					
Job Level	2011/12		2012/13		
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %
0 – 3	2	3	2	1	33%
4 – 6	8	11	9	2	18%
7 – 9	6	6	6	0	0%
10 – 12	10	10	10	0	0%
13 – 15	0	1	1	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
<b>Total</b>	<b>26</b>	<b>31</b>	<b>28</b>	<b>3</b>	<b>10%</b>

# Chapter 3

FINANCIAL PERFORMANCE 2012/13 : HUMAN RESOURCE SERVICES						R'000
Details	2011/12	2012/13				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget*	
Total operational revenue	636	-	1 240	2 077	100.00%	
Expenditure:						
Employees	4 143	4 575	4 575	4 466	-2.44%	
Repairs and maintenance	-	11	11	-	0.00%	
Other	1 469	2 232	1 790	930	-140.00%	
Total operational expenditure	5 612	6 818	6 376	5 396	-26.35%	
Net operational expenditure	(4 976)	(6 818)	(5 136)	(3 319)	-105.42%	

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL

Human Resources Services did not have capital projects hence there are no priorities in terms of the four largest capital projects.

## NATIONAL KEY PERFORMANCE INDICATORS

See page 148 for more detail.

### 3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT services are broadly defined as follows:

- ▶ Information management services
- ▶ Information technology services
- ▶ Information system services
- ▶ Network management services

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information, Communication and Technology services in the City of Matlosana are regarded as a strategic resource. As a strategic resource, which it definitely is, is viewed as both a critical and catalyst function for enabling service delivery at the customer interface.

Key to the strategic nature of ICT in the City is the enabling of the municipal key objectives of the Municipality in order to meet its constitutional obligations. ICT enables the achievement of these obligations by deploying relevant information technology solutions.

# Chapter 3

## SET OUT PRIORITIES AND THEIR IMPACT DURING 2011/2012 FOR THE PERIOD UNDER REVIEW

### ► ICT Priorities

- To develop IT/IS/IM policies for the City of Matlosana by the end of 2012/2013.
- To provide technical support services by ensuring new installations, configuration management and infrastructure troubleshooting.
- To refresh hardware/software throughout the municipality.
- Undertake an audit of all the software licences of the municipality.
- Develop a new IT organisational structure for the City of Matlosana.

### ► 1.2 Impact: The following policies had been developed and the related IT service provided to departments daily:

- 1.2.1 Policies:
  - Internet Policy
  - Email Policy
  - Back-up procedures
  - Password Protection Policy
  - Servers Policy
  - Workstations Policy
  - Guidelines on Anti-Virus Process
  - General Password Construction Guidelines
- Technical Support Services
  - To support the information, knowledge and management of critical data of the Municipality.
  - Hardware/software refreshment programme. The programme deploys desktops, laptops, provides connectivity, information security, printers, computer consumables (repairs, replacement of RAM, network cards, monitors, radio links, CPU, cabling, installations of network points, wireless, removal of viruses, etc.).
  - Operations of computer servers do back-ups, database management and electricity vending system support services.
  - System support of the 27 business applications of the Municipality on a daily basis by programme scheduling, patch management, creation of active directories on the servers, and firewall protection management.
  - Systems support and end-user training and development of an approximate 1 200 computer user-base in the Municipality.
  - Internet and email system support services to ensure meaningful communications in the Municipality.
  - Network availability and access to 19 pay points and other functional offices 24/7/365 days.

# Chapter 3

## MEASURES TAKEN TO IMPROVE PERFORMANCE AND MAJOR ACHIEVEMENTS ACHIEVED BY THE ICT SERVICE DURING THE YEAR

- ▶ Measure taken to improve performance of the ICT division

Training of IT employees on the following courses:

- Active Directory
- Web 2.0
- A+, N+,
- Report-writing skills

- ▶ Major achievements achieved by the ICT services

- Completed the Active Directory project on time within budget.
- Deployed the new anti-virus software on time
- Implemented blade technology for the financial system on time
- Migrated municipal data from Unix operating system to SQL server on time
- Improved the website to a transactional stage and streamlined information management and publishing on the Municipal web site
- Upgraded the firewall to improve the municipal network security

## EMPLOYEE INFORMATION

EMPLOYEES: ICT SERVICES						
Job Level	2011/12		2012/13			Vacancies (as a % of total posts) %
	Employees No.	Posts No.	Employees No.	Vacancies No.		
0 – 3	1	1	1	0	0	0%
4 – 6	0	0	0	0	0	0%
7 – 9	1	1	1	0	0	0%
10 – 12	0	0	0	0	0	0%
13 – 15	2	2	2	0	0	0%
16 – 18	0	0	0	0	0	0%
19 – 20	0	0	0	0	0	0%
Total	4	4	4	0	0	0%

# Chapter 3

Details	FINANCIAL PERFORMANCE 2012/13 : ICT SERVICES					R'000	
	2011/12		2012/13				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget		
Total operational revenue	26		-	75	100.00%		
Expenditure:							
Employees	1 401	1 787	1 646	1 514	-18.03%		
Repairs and maintenance	2 717	3 532	3 672	2 471	-42.94%		
Other	3 879	5 238	4 084	2 537	-106.46%		
Total operational expenditure	7 997	10 557	9 402	6 522	-61.87%		
Net operational expenditure	(7 971)	(10 557)	(9 402)	(6 447)	-63.75%		

\* Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The City of Matlosana has one large priority IT capital project running. This is:

- ▶ ICT hardware/software (desktop refreshment programme). The programme is meant to decommission old and ageing workstations and their related software (operating systems (OS)) throughout the municipality and to replace them with the latest IT assets
- ▶ Microsoft Enterprise Agreement (Microsoft software licences). However, one of the largest licences is the Microsoft Enterprise Agreement (EA) for the desktop/laptop operating system (OS). The EA is for three years

## 3.24 LEGAL AND ADMINISTRATION SERVICES

### INTRODUCTION TO LEGAL AND ADMINISTRATION SERVICES

The aim of legal services is to provide and ensure a proper legal service to the Municipality and other structures within the Municipality. It prepares and ensures approval of legal documents relating to the Municipality.

Priorities that were set out by legal services are to:

- ▶ Establish a panel of attorneys
- ▶ Centralise contract management within the legal services
- ▶ Create a contracts register
- ▶ Create a contracts procedure manual
- ▶ Manage disciplinary cases within legal services

# Chapter 3

The impact legal services have on the priorities are:

- ▶ To ensure compliance with legislations applicable to the Municipality
- ▶ To provide guidelines and a procedure for contract management
- ▶ To preside and prosecute at disciplinary hearings

## SERVICE STATISTICS FOR LEGAL AND ADMINISTRATION SERVICES

INFORMATION	2010/11	2011/12	2012/13
Cases against Council	29	18	48
Cases for Council	43	41	53
Cases won	27	16	22
Cases settled	14	3	17
Cases outstanding	52	40	51
Cases referred to the High Court	20	21	22
Total Expenditure	R6 813 206	R7 356 178	R 6 213 748

## EMPLOYEE INFORMATION

EMPLOYEES: LEGAL AND ADMINISTRATIVE SERVICES						
Job Level	2011/12		2012/13			
	Employees No.	Posts No.	Employees No.	Vacancies No.	Vacancies (as a % of total posts) %	
0 – 3	2	3	3	0		0%
4 – 6	9	12	11	1		8%
7 – 9	6	6	6	0		0%
10 – 12	10	11	9	2		18%
13 – 15	14	14	13	1		7%
16 – 18	6	6	5	1		17%
19 – 20	31	33	32	1		3%
Total	78	85	79	6		7%

# Chapter 3

FINANCIAL PERFORMANCE 2012/13 : LEGAL & ADMINISTRATION SERVICES						
Details	2012/13					R'000
	2011/12	Original Budget	Adjustment Budget	Actual	Variance to Budget*	
	Actual					
Total operational revenue	220	265	265	229	-15,72%	
Expenditure:						
Employees	19 320	19 038	20 905	20 905	8,93%	
Repairs and maintenance	462	352	342	342	-2,92%	
Other	6 764	7 232	7 267	7 222	-0,14%	
Total operational expenditure	26 546	26 624	28 515	28 469	6,48%	
Net operational expenditure	(26 326)	(26 359)	(28 250)	(28 240)	6,66%	

\*Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

## COMMENT ON THE PERFORMANCE OF LEGAL & ADMINISTRATION SERVICES OVERALL:

The following measure were taken to improve performance in the legal section:

- ▶ Contract Management Procedure Manual was drafted
- ▶ Contracts were centralised with legal services
- ▶ Legal Services Policy was established
- ▶ Disciplinary cases were handled by legal services.

# Chapter 3

City of  
Matlosana

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

# Annual Performance Report 2012/13



City of Matlosana | CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (SDP)



# Chapter 3

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# Chapter 3

## 1. INTRODUCTION

The Municipal Planning and Performance Management Regulations (2001) stipulates that a “municipality’s performance management system entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role-players” (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

The Performance Management Framework and Policy was adopted by Council during the 2007/08 financial year. The framework was reviewed and amended by Council on 30 June 2009 (CC 72/2009) and again on 29 April 2011 (CC35/2011).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

"Annual performance reports

46. (1) A municipality must prepare for each financial year a performance report reflecting –
  - (a) the performance of the municipality and of each external service provider during that financial year;
  - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - (c) measures taken to improve performance.
- (2) An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."

This annual performance report is hereby submitted by the Municipal Manager in terms of section 121 of the Municipal Finance management Act, 56 of 2003 read with the Municipal Systems Act, 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 and 63 on annual reporting.

In the year under review (2012/2013), the City of Matlosana had seven Directorates:-

- ▶ Strategic Planning, Monitoring and Control
- ▶ Civil Services and Human Settlements
- ▶ Electrical and Mechanical Engineering
- ▶ Municipal and Environmental Services
- ▶ Corporate Services
- ▶ Macro City Planning and Development
- ▶ Finance

This report covers the performance information from 1 July 2012 to 30 June 2013 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the Integrated Development and Plan (IDP).

# Chapter 3

## 2. INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2012/2013 financial year, every attempt was made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the IDP. The City of Matlosana has continued to maintain the effective operation of the following mechanisms:

- ▶ The 2012/2013 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- ▶ The budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- ▶ After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies;
- ▶ Performance agreements with performance plans were developed, signed and approved by the Executive Mayor as required by the Municipal Performance Regulations, 2006;
- ▶ Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager. These reports were used in the quarterly performance assessments;
- ▶ A mid-year budget and performance assessment in terms of Section 72 of the Municipal Finance Management Act, which informed the adjustment budget and revised SDBIP, were performed.
- ▶ Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports; the unit also confirmed the credibility of evidence that was submitted quarterly;
- ▶ Quarterly assessments of performance of managers directly reporting to the MM as well as the MM's performance were conducted for the first, second and third quarter as required by the performance regulations; and
- ▶ The Performance Audit Committee (PAC) functioned optimally in the year; in line with the committee's approved terms of reference.

## 3. AUDITING OF PERFORMANCE INFORMATION

The Municipal Systems Act, 2000, Section 45 requires that the results of performance measurements in terms of section 41 (1)(c), must be audited as part of the internal auditing process and annually by the Auditor-General. All auditing must comply with section 14 of the Municipal Planning and Performance Management Regulations, 2001.

Council's Internal Audit Section is responsible to perform this function. As part of their scope, auditing of the Performance Management System and Information was performed and reports received for each quarter in terms of the following:-

- ▶ Review the functionality of the Performance Management System and management's compliance thereto;
- ▶ Review scorecards on a test basis to supporting evidence on a sample basis;
- ▶ Record the system that is used to generate the performance information;
- ▶ Ensure compliance with the requirements of the PMS regulations;

# Chapter 3

- ▶ Ensure the accuracy and validity of the information included in the annual report based on the evidence inspected, on a sample basis.

The Performance Audit Committee was established on 27 August 2011 and consists of 4 committee members. The committee members are as follows:-

- |                 |   |             |
|-----------------|---|-------------|
| ▶ Mr. MI Motala | - | Chairperson |
| ▶ Mr. KN Molapo | - | Member      |
| ▶ Mr. PV Chwene | - | Member      |
| ▶ Mr. N Maape   | - | Member      |

Four meetings were held during the 2012/13 financial year.

## 4. REMEDIAL ACTIONS FOR PERFORMANCE MANAGEMENT

In order to improve on performance planning, implementation and reporting, the municipality is planning to implement the following actions during the new financial year: -

- ▶ Management to discuss key strategic issues as per section 166 as a standing agenda item at top management meetings
- ▶ The Top Layer and Technical SDBIP to be discussed as standing agenda items to gauge performance of each departments challenges as in when they are reported to be resolved to assist the municipality to achieve its objectives.
- ▶ That management keep to the proposed schedule of top management meetings and that portfolio of evidence of each meeting be kept
- ▶ The Accounting Officer to review the quarterly performance reports to ensure that quarterly performance targets are achieved as per the SDBIP.
- ▶ That quarterly reports submitted without portfolio of evidence not be accepted and that the relevant Director be informed to comply.
- ▶ That quarterly performance reports be submitted as per dates contained in the Performance Action Plan

## 5. ISSUES RAISED IN THE 2011/2012 AUDITOR GENERAL'S REPORT

In the 2011/2012 audit of predetermined objectives the AG expressed that there were no material findings on the annual report concerning the usefulness and reliability of the information.

Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, the following matters raised:-

- ▶ Of the total number of 237 targets planned for the year, 123 of targets were not achieved during the year under review. This represents 52% of total planned targets that were not achieved during the year under review. This was as a result of the institution not considering relevant systems and evidential requirements during the annual strategic planning process

# Chapter 3

- ▶ Material misstatements in the annual report were identified during the audit, all of which were corrected by management.

## 6. ANNUAL PERFORMANCE INFORMATION

The Annual Performance Report must be presented to the Auditor General for auditing together with the Annual Financial Statements on 31 August 2013.

As part of the report, the following areas were addressed:-

- ▶ National Key Performance Indicators
- ▶ Outcome 9 indicators of National Government
- ▶ IDP Projects
- ▶ Capital Projects
- ▶ Operational indicators

The Annual Performance Report for the 2012/2013 financial year reflects the performance of the municipality and directorates in a table format, measured on the approved KPI's and targets, as contained the IDP and SDBIP. The achievements, reasons for deviation and planned remedial action are reported by the respective directorates.

Data is supported by the relevant evidence captured and maintained by the directorates to support the data captured on the Performance Management System.

Measurable performance targets with regard to each of the development priorities and objectives were established.

These development priorities are as follows:-

- ▶ Municipal transformation and Organizational Development
- ▶ Infrastructure Development and Service Delivery
- ▶ Local Economic Development (LED)
- ▶ Municipal Financial Viability and Management
- ▶ Good Governance and Public Participation

### 6.1 ORGANISATIONAL PERFORMANCE RESULTS

The table below encapsulates the high-level summary of the municipality's 2012/13 performance results with regard to each of the development priorities.

# Chapter 3

ANNUAL ORGANISATIONAL RESULTS					
Key Performance Indicators	Total No of KPI's	Targets Achieved	On Hold	Targets Not Achieved	Annual % Met
Municipal Transformation and Organizational Development	21	15	0	6	71%
Service Delivery and Infrastructure Development	103	64	0	39	62%
Local Economic Development (LED)	6	5	0	1	83%
Municipal Financial Viability and Management	55	25	0	30	45%
Good Governance and Public Participation	55	33	0	22	60%
<b>Annual Overall Percentage</b>	<b>240</b>	<b>142</b>	<b>0</b>	<b>98</b>	<b>59%</b>

## 6.1.1 Comparison of current performance with previous financial year's performance

COMPARISION OF ANNUAL OVERALL PERFORMANCE	
2011/2012	2012/2013
52%	59%

## 7. CONCLUSION

During the 2012/13 year the overall performance results reflect a 59% success rate caused by mixed performance results of departments in implementing the SDBIPs. The 2012/13 percentage is higher as compared to 2011/12 financial period.

The municipality will continue improving on its performance management system, particularly, in the application of the SMART principle. Challenges still exist on accurate and timorously performance information as well as reporting meaningful deviations and remedial actions for all the targets not met quarterly, plans are underway to improve the organizational culture towards performance management so as to eliminate the hindrances to proper planning and to accurate and credible reporting on performance.

Signed by \_\_\_\_\_

E.T. MOTSEMME

MUNICIPAL MANAGER

Date: 31August 2013

# Chapter 3

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## National Key Performance Indicators

# Chapter 3

KEY PERFORMANCE AREA 1: Basic Service Delivery & Infrastructure Development							
DIRECTORATE: CIVIL SERVICES & HUMAN SETTLEMENTS							
National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To provide basic municipal services						
Nr and % of households with access to basic level of sanitation - Urban Areas	156,040 Households 99,3%	156,040 Households 97,7%	157,105 and 100% of households with access to basic level of sanitation by June 2013 - Urban Settlements	156,195 Households 99,4%		No control over subdivision of erven and new township establishment.	Install infrastructure as soon as subdivision and township establishment are completed
Nr. of household without access to basic level of sanitation - Urban Areas	1,065 Households	1,065 Households	1,065 Household without access to basic level of sanitation by June 2012 - Urban Areas	3,565 Households (Buckets)		Insufficient funds to eradicate all backlogs due to the reduction of funds caused by financial constraints in Council. CC25/2013 (28/02/2013)	Requested financial assistance during November 2012 through the IDP project funding from Dr KKDM for 2013/14 financial year
Nr. of sanitation backlogs eliminated - Urban Areas	317 Backlogs	0 Backlogs	0 Sanitation backlogs to be eliminated by June 2012 - Urban Areas	0 Backlogs			

# Chapter 3

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To provide basic municipal services						
No. and percentage of households with access to basic level of sanitation- Rural Settlements	2 575 households 100%	2 575 households 100%	2 575 and 100% of households with access to basic level of sanitation by June 2012 – Rural Settlements	2 575 households (Pit toilets) 100%			
No. of households without the access to basic level of sanitation – Rural Settlements	0 households	0 households	0 households without the access to basic level of sanitation by June 2013 – Rural Settlements	0 households			
No. of sanitation backlogs eliminated – Rural Settlements	201 backlogs	0 backlogs	0 sanitation backlogs to eliminate by June 2013 – Rural Settlements	0 backlogs			
Number and percentage of households with access to basic level of water – Urban Areas	155 770 households 100%	157 835 households 100%	157 835 and 100% of households with access to basic level of water by June 2013 – Urban Settlements	158 504 households 100%			
Number of households without access to basic level of water – Urban Areas	0 households	0 households	0 households without the access to basic level of water by June 2013 – Urban Settlements	0 households			
No. of water backlogs eliminated – Urban Areas	0 backlogs	0 backlogs	0 water backlogs to eliminate by June 2013 – Urban Settlements	0 backlogs			

# Chapter 3

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To provide basic municipal services						
No. and percentage of households with access to basic level of <b>water</b> – <b>Rural Settlements</b>	1 845 households 100%	0 households 0%	1 845 and 100% of households with access to basic level of water by June 2013 – Rural Settlements	1 845 households 100%			
No. of households without access to basic level of <b>water</b> – <b>Rural Settlements</b>	1 439 households	1 845 households	1 845 households without access to basic level of water by June 2013 – Rural Settlements	1 845 households		Insufficient funds to eradicate all backlogs due to the reduction of funds which was caused by financial constraints in Council. CC25/2013 (28/02/2013)	Requested DWA funding for approval for the 2013/14 financial year (technical report was send to DWA; still awaiting approval)
No. of <b>water</b> backlogs eliminated – <b>Rural Settlements</b>	406 backlogs	205 backlogs	205 water backlogs to eliminate by June 2013 – Rural Settlements	141 backlogs			
No. and percentage of households with access to basic level of <b>electricity</b> – <b>Urban Areas</b>	156 594 households 88.0%	156 530 households 89.2%	157 001 and 97% of households with access to basic level of electricity by June 2013 – Urban Settlement	158 779 households 97,8 %			
No. of households without access to basic level of <b>electricity</b> – <b>Urban Areas</b>	4 350 households	1 192 households	1 210 households without access to basic level of electricity by June 2013 – Urban Settlement	1 210 households		Insufficient funds due to the reduction of funds which was caused by financial constraints in Council. CC25/2013	More connections from electrification projects will be done in the next financial year
Number of <b>electricity</b> backlogs eliminated – <b>Urban Areas</b>	1 412 backlogs	1 412 backlogs	0 electricity backlogs to eliminate by June 2013 – Urban Settlement	0 backlogs			

# Chapter 3

## DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To provide basic municipal services to ensure access to electricity						
No. and percentage of households with access to basic level of <b>electricity – Rural Settlement</b>	Rural Settlements are within the jurisdiction of Eskom – no information received from Eskom	785 Households 19,95%	1 940 and 100% of households with access to basic level of electricity by June 2013 – Rural Settlements	795 Households 40,98%		The rural areas falls under Eskom-licensed area. Eskom has connected only 795 out of the 1 940 targeted	Communication between the municipality and Eskom will take place to ensure realistic targets are set in future
No. of households without access to basic level of <b>electricity – Rural Settlement</b>	Rural Settlements are within the jurisdiction of Eskom – no information received from Eskom	1 894 Households	1 155 households without access to basic level of electricity by June 2013 – Rural Settlements	1 551 Households		The agreement between Eskom and the Municipality was that the project would be implemented by the municipality in accordance with Eskom's design standard and handed over to Eskom after completion. Eskom delayed in approving designs	Improved communication between the municipality and Eskom at planning stage for approval and implementation of projects affecting the two organisations to ensure that projects are complete within the targeted timeframe
Number of <b>electricity backlogs eliminated – Rural Settlement</b>	1 192 Backlogs	1 256 Backlogs	0 electricity backlogs to eliminate by June 2013 – Urban Settlement	0 backlogs			

*Figure includes the influx of informal settlements*

# Chapter 3

## DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To provide basic municipal services						
No. and percentage of households with access to basic level of refuse removal – Urban Areas	159 660 households 100%	159 680 households 100%	159 680 and 100% of households with access to basic level of refuse removal by June 2013	159 680 households 100%			
No. of households without access to basic level of refuse removal – Urban Areas	0 households	0 households	Zero household without access to basic level of refuse removal by June 2013	0 households			
No. of refuse removal backlogs eliminated – Urban Areas	0 backlogs	0 backlogs	All refuse removal backlogs eliminated by June 2013	0 backlogs			
Rural Settlement households with or without access to basic level of refuse removal	Council cannot render service on unproclaimed land – final approval of Waste Management Plan by Council and Province.  Current refuse removal backlogs on unproclaimed land amounts to 2 655 households						

# Chapter 3

## KEY PERFORMANCE AREA 2: Local Economic Development

### DIRECTORATE: MARCO CITY PLANNING AND DEVELOPMENT

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To create jobs to address unemployment						
Number of permanent jobs and jobs exceeding 3 months created through the Municipality's local economic development initiatives including capital projects – <b>Urban Areas</b>	712 jobs created	102 jobs created (EPWP – 102 jobs – MIG funded) (LED – 0 jobs)	Creating 1 100 permanent and jobs exceeding 3 months through the Municipality's local economic development initiatives, including capital projects by June 2013 – Urban Areas	1 279 jobs created (EPWP – 510 jobs – MIG funded) (Mayor's Project EPWP – 500 jobs) (LED – 269 jobs)			
Number of permanent and jobs exceeding 3 months jobs created through the Municipality's local economic development initiatives including capital projects – <b>Rural Settlements</b>	305 jobs created	0 jobs created	Creating 100 permanent and jobs exceeding 3 months through the Municipality's local economic development initiatives including capital projects by June 2013 – Rural Settlements	0 jobs created		Delay on finalisation of the mechanisation (farm implements to be used by farmers) Management Guideline Document submitted to Council for adoption	Obtain Council approval on Management Guideline Document during September 2013

# Chapter 3

KEY PERFORMANCE AREA 3: Municipal Institutional Development and Transformation							
DIRECTORATE: CORPORATE SERVICES							
National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To provide basic municipal services						
Rand value and % of Training Expenditure achieved for 2011/12 financial year	R3,513,599 98.36%	R3,108,518 98.36%	R1,195,333 and 100% spend on Training Expenditure for 2012/13 by June 2013	R366,792		Service Providers were only appointed during January 2013 - CC21/2014	Training has only commenced during the month of February 2013, A fixed training program has been adopted and that Service Providers has been appointed for a period of two years as per CC21/2014
Rand value and % of SETA 2011/12 financial year	R1,611,466	R2,557,658 127.88%	R2,500,000 R2 200 000 and 100% spend on SETA Expenditure for 2012/13 by June 2013 (CC25/2013 - 28/02/2013)	R1 353 406			
INDICATOR	MEASURABLE OBJECTIVE: The number of people from employment equity target groups employed in the three highest level of management						
Number of <b>male</b> employees on the three highest levels of management	31	31	Appointing 32 male employees on the three highest levels of management by June 2013	34			
Number of <b>female</b> employees on the three highest levels of management	9	9	Appointing 10 female employees on the three highest levels of management by June 2013	11			

# Chapter 3

## KEY PERFORMANCE AREA 4: Municipal Financial Viability & Management

### DIRECTORATE: FINANCIAL SERVICES

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To allocated Indigent Subsidy for Free Basic Services to comply with legislation						
No. and percentage of registered and approved urban households earning less than R2,440 per month with access to free basic services	42 213 39,4% registered and approved households	41 125 52,0% registered and approved households	42 500 and 52,4% approved households with free basic services (indigents) by June 2013	44 569 53,27%			
R value spent on households earning less than R2 440 per month with access to free basic services	R95 027 206	R94 554 740	R82 000 000 R74 000 000 spend on free basic services by June 2013 (CC25/2013 dated 28/02/2013)	R90 061 424			
No. and percentage of registered rural settlements earning less than R2 440 per month (indigents) with access to free basic services	New field	1 550 71%	2 500 and 90% of registered and approved rural settlements with free basic alternative energy (indigents) by June 2013	2 000 80%		No new registrations took place in 2012/2013  Re-registration process has already commenced in 2013/2014	Updating status of beneficiaries in process. Re-registration process has already commenced in 2013/2014
No. of approved rural settlements with free basic alternative energy (indigents)	New field	1 550	R10 000 000 spent on free basic alternative services by June 2013	R11 668 939			

# Chapter 3

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> The percentage of the municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipalities IDP						
Rand value of capital budget approved	R233 595 846 capital budget approved by June 2012	R233 595 846 (Revised)	R152 246 000 capital budget (excluding roll-overs) approved by June 2013	R215 643 853 (Revised)			
Rand value of total expenditure on capital budget	Total expenditure on capital budget as at June 2012	R 112 512 380	Total expenditure on capital budget as at June 2013	R118 810 530		Service providers appointed late in the year to complete MIG projects Council-funded projects were delayed due to cash flow constraints	Advertising for appointment of service providers was done earlier than the previous year. A schedule of BID Committee members was developed to ensure timeous appointment of service providers to minimise underspending
Percentage of total expenditure on capital budget spent	100% of total expenditure on capital budget spent by June 2012	48,47%	100% of total expenditure on capital budget spent by June 2013	55,01%			

# Chapter 3

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To express financial viability						
Percentage of debt coverage ratio for 2011/12	70,9:1	24,21:1	Annual debt coverage ratio (35,5:1) for 2011/12 by October 2012 $A=(B-C) / D$ Where: "A" represents debt coverage "B" represents total operating revenue received "C" represents operating grants "D" represents debt service payments (i.e. interest + redemption) due within the financial year	27,80:1		Low tariff charges to consumers, which results in lower revenue. Lack of capacity to fully implement debt collection. Low collection rate for areas supplied by Eskom.	A debt collector will assist with capacity challenges in debt collection. Tariffs revised for 2013/2014 financial year to better reflect the cost of the services, which were approved by Council.
Percentage of outstanding service debtors to revenue ratio	42,70%	42,70%	Annual outstanding service debtors to revenue ratio (0,7%) for 2011/12 by October 2012 $A=B/C$ Where: "A" represents outstanding service debtors to revenue "B" represents total outstanding service debtors "C" represents annual revenue actually received for services	42,7%			

# Chapter 3

National KPI	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To express financial viability						
Percentage of cost coverage ratio for	42,70%	15,74%	Annual cost coverage ratio (0,09%) for 2011/12 by October 2012 $A=(B+C)/D$ Where: "A" represents cost coverage "B" represents all available cash at a particular time "C" represents investments "D" represents monthly fixed operating expenditure	15,74%		Low tariff charges to consumers, which results in lower revenue. Lack of capacity to fully implement debt collection. Low collection rate for areas supplied by Eskom.	A debt collector will assist with capacity challenges in debt collection. Tariffs revised for 2013/2014 financial year to better reflect the cost of the services, which were approved by Council

# Chapter 3

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## Outcome 9 Indicators from National Government

(Excluding National Key Performance Indicators)



# Chapter 3

SERVICE DELIVERY							
Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To provide access to municipal roads						
Kilometres of new municipal roads constructed – urban areas	15,04 kilometres of new roads constructed	14,7 kilometres of new roads constructed	15,979 kilometres of new municipal roads constructed in various areas by June 2013	8,4 kilometres of new roads constructed		The amount allocated to the project could only cater for 8,4 Kilometres of new roads	Once Council is financially stable again, the remaining scope will be budgeted for
Kilometres of new municipal roads constructed – rural settlements	0 km	0 km	0 Kilometres of new municipal roads constructed in various areas by June	0 km Council cannot service unproclaimed land			
FINANCIAL & ADMINISTRATIVE & CAPACITY							
<i>Revenue management</i>							
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To collect revenue for property rates to comply with legislation						
% of budgeted revenue for property rates collected (Implementation of the Municipal Property Rates Act, 2004 (Act 6 of 2004))	69%	40.93%	60 % of budgeted revenue for property rates collected by June 2013	88%			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To increase Payments Received vs. Monthly Levies (Collection rate of billings)						
% increase in annual debtors collection rate	2% Decrease (from current 82% to 80%)	4% increase (from current 78% to 82%)	6% increase (from previous 80% to 88%)	8% increase (from previous 80% to 88%)			

# Chapter 3

Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To identify the grants received as revenue to better service delivery						
Grants as a percentage of revenue received	54%	54%	100% spending of grants as 80% of revenue received by June 2013	100%			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To control debt management to ensure financial sustainability						
R value spend debtors outstanding as percentage of own revenue	78%	46.10%	Amount of rand value debtors outstanding as 35% of own revenue by June 2013	29% =1- (997 139 840 / 1 402 339 041)		Low tariff charges to consumers, which result in lower revenue. Lack of capacity to fully implement debt collection.	A debt collector will assist with capacity challenges in debt collection. Tariffs revised for 2013/14 financial year to better reflect the cost of the services, which were approved by Council
Percentage of debt over 90 days	81%	85%	Reduce debt over 90 days from 90% to 80% by June 2013	86%		Low collection rate for areas supplied by Eskom.	
Percentage of debt collected as a percentage of money owed to the municipality	11%	82%	90% of debt collected as a percentage of money owed to the municipality by June 2013	7,2% R71 642 210 / R997 139 840			
<b>Expenditure Management</b>							
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To control expenditure management to ensure financial sustainability						
Operational expenditure as a percentage of planned expenditure	94%	R1 394 920 762 83,31%	Operational expenditure as a percentage of planned expenditure <del>(R1,700,938,000)</del> (R1 748 821 088) by June 2013 (CC25/2013 )	R1 683 509 178 96,36%		Less spending due to cash flow restrictions	A debt collector will assist with capacity challenges in debt collection. Tariffs revised for 2013/14 financial year to better reflect the cost of the services, which were approved by Council

# Chapter 3

Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To control expenditure management to ensure financial sustainability						
Capital expenditure as a percentage of planned capital expenditure	47,84%	R109 666 452 40,14%	Capital expenditure as a % of planned capital expenditure <b>(R152,172,000)</b> (R215 643 853) by June 2013 (CC25/2013 dated 28/02/2013)	R118 810 530 55,01%		Service providers appointed late within the year to complete MIG projects. Council funded projects were delayed due to cash flow constraints	Advertising for appointment of service providers was done earlier than the previous year. A schedule of BID Committee members was developed to ensure timeous appointment of service providers to minimise underspending
Percentage of operational budget spent on repairs and maintenance	121,93%	R42 089 482 74,60%	4% of operational budget spent on repairs and maintenance at a cost of <b>R74,536,000</b> R67 344 378 by June 2013 (CC25/2013 - 28/02/2013)	R45 121 254 66,43%		Deviation because of cost-saving measures resulting from cash flow challenges	A debt collector will assist with capacity challenges in debt collection. Tariffs revised for 2013/2014 financial year to better reflect the cost of the services, which were approved by Council

# Chapter 3

Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To control expenditure management to ensure financial sustainability						
MIG expenditure a % of annual allocation	91%	R50 145 368 49,84%	MIG expenditure as 95% of annual allocation (R123 546 000) by June 2013	R49 522 308 40%		Service providers appointed late in the year to complete MIG projects. Council funded projects were delayed due to cash flow constraints	Advertising for appointment of service providers was done earlier than the previous year. A schedule of BID Committee members was developed to ensure timeous appointment of service providers to minimise underspending
INDICATOR	MEASURABLE OBJECTIVE: To reduce disclaimers to obtain a clean audit report						
Audit opinion received from Auditor General	Disclaimer	Disclaimer	Receiving an unqualified audit opinion from the Auditor General by November 2012	Disclaimer		Non-implementation of the Auditor General's recommendations	Implementation of the clean audit plan, including recommendations from MPAC, Audit Committee and AG

# Chapter 3

Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To approve the budget in order to comply with legislation						
Timeous adoption of the final 2012/13 budget	Final 2011/12 budget approved (CC 35/2011 dated 29 April 2011)	Final 2012/13 budget approved. (CC 45/2012 dated 29 May 2012)	Approving the final 2013/14 budget by 31 May 2013	Final 2013/14 budget approved. (CC 66/2013 dated 14 June 2013)		Final budget was before Council for approval, but they had to await NERSA approval of the electricity tariffs, which was only available during June 2013	Special Council was scheduled for June 2013. Arrangements were made with NERSA to consider MFMA timelines. However, Council did comply with MFMA with regard to approval of the budget.
INDICATOR	MEASURABLE OBJECTIVE: To submit the 2010/11 Financial Statements on time to comply with legislation						
2010/11 financial statements submitted to the Auditor General	2009/10 statements submitted on 31 August 2010	2010/11 financial statements submitted to the Auditor General	Submitting the 2011/12 financial statements to the Auditor General by 31 August 2012	2011/12 financial statements submitted to the Auditor General on 31 August 2012			
INTEGRATED DEVELOPMENT PLANNING							
INDICATOR	MEASURABLE OBJECTIVE: To approve the final SDBIP to ensure compliance with legislation						
Timeous adoption of the final 2012/13 SDBIP approved by Executive Mayor	Final 2011/12 SDBIP approved by EM 27/2011 on 17 May 2011	Final 2012/13 SDBIP approved. EM 27/2012 dated 20 June 2012	Approving final 2013/14 SDBIP by Executive Mayor (28 days after approval of budget) by June 2013	Final 2013/14 SDBIP approved. EM 16/2013 dated 28 June 2013			

# Chapter 3

Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To approve the final IDP to comply with legislation						
Timeous adoption of the 2012/13 IDP	Final 2011/12 IDP approved on 29 April 2011 (CC 35/2011)	Final 2012/13 IDP approved on 29 May 2012. (CC 45/2012)	Approving final 2013/14 IDP by Council by May 2013	Final 2013/14 IDP approved on 14 June 2013. (CC 66/2013 dated 14 June 2013)		Final IDP was before Council for approval, but they had to await NERSA approval of the electricity tariffs, which was only available during June 2013	Special Council was scheduled for June 2013. Arrangements were made with NERSA to consider MFMA timelines. However, Council did comply with MFMA with regard to approval of the budget.
INDICATOR	MEASURABLE OBJECTIVE: To table the Annual Report to comply with section 121 of MFMA						
2010/11 annual report tabled before Council	2009/10 annual report tabled (CC 6/2011 dated 31 January 2011)	2010/11 annual report tabled (CC 01/2012 dated 31 January 2012)	Tabling the 2011/12 annual report before Council by 31 January 2013	2011/12 annual report tabled. (CC 22/2013 dated 31/01/2013)			
ADMINISTRATION							
INDICATOR	MEASURABLE OBJECTIVE: To allocated Indigent Subsidy for Free Basic Services to comply with legislation						
Updated and credible indigent registers	Granted and approved subsidies	Granted and approved subsidies	Updated and credible indigent registers by June 2013	Granted and approved subsidies			

# Chapter 3

Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	2010/11	2011/12	Target	Actual Performance						
<b>ADMINISTRATION</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To allocated Indigent Subsidy for Free Basic Services to comply with legislation									
Financial controls applied to ensure usage is monitored / limited to indigent policy	Verification of beneficiaries	Financial controls applied to ensure usage is monitored / limited to indigent policy	Verification of beneficiaries	Financial controls applied to ensure usage is monitored / limited to indigent policy	Verification of beneficiaries	Financial controls applied to ensure usage is monitored / limited to indigent policy	Verification of beneficiaries			
<b>Reduce Corruption</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To implement internal co-operation and control to ensure compliance with legislation									
Supply Chain Management system functional	Supply Chain Management policies implemented and monitored	Supply Chain Management system functional	Revising the Supply Chain Management policy by March 2013	Revised Supply Chain Management policy approved. (CC 45/2012 dated 29 May 2012) (No legislative changes to policy during 2012/13)						
Fraud and Anti-Corruption Strategy implemented by target date	Implementing a Fraud and Anti-Corruption Strategy by July 2012	Fraud and Anti-Corruption Strategy implemented by target date	Implementing a Fraud and Anti-Corruption Strategy by July 2013	Not yet		Strategy was workshopped. More relevant information was added by Internal Audit. Need to be re-workshopped.	Strategy to be workshopped again. Chief Risk Officer was appointed 1 June 2013 to execute risk activities, including fraud and anticorruption policy			

# Chapter 3

Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	2010/11	2011/12	Target	Actual Performance						
<b>LABOUR RELATIONS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To filled critical Positions with competent employees									
No. and percentage of section 56 posts filled	7 positions filled 100%	6 positions filled 75%	8 and 100% of section 56 posts filled by June 2013	7 positions filled 87,50%		Position of Director: Municipal and Environmental Services re-advertised; closed August 2013	Council to make appointments			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To sign the Performance Agreements to comply with legislation									
2012/13 performance agreements with section 57 employees signed	2011/12 performance agreements signed (EM 27/2011 dated 17 May 2011)	2012/13 performance agreements signed (EM 27/2012 dated 20 June 2012)	Signing 2013/14 performance agreements with Section 57 employees by June 2013	2013/14 Performance Agreements signed (EM 16/2013 dated 28 June 2013)						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To hold LLF meetings to ensure industrial harmony									
Number of LLF meetings conducted	8 LLF meetings	9 LLF meetings	Convening 11 LLF meetings by June 2013	7 LLF meetings		Four meetings could not be held due to a lack of a quorum because unions and/or management did not attend	Municipal Manager intervened and all of management and unions were instructed to attend in future			
<b>GOVERNANCE / PUBLIC PARTICIPATION</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To enhance public participation as per legislation									
Number of imbizos conducted	Conducting four imbizos by June 2012	10 imbizos	Conducting 20 Imbizo's in the KOSH area at a cost of R1,000,000 R300 000 by June 2013 CC65/2013 dated 10/06/2013)	9 imbizos R247 668		Due to a low collection rate, savings were done where possible; as a result imbizos were moved to the 2013/14 financial year	Sufficient funding provided on the 2013/14 FY to conduct imbizos			

# Chapter 3

GOVERNANCE / PUBLIC PARTICIPATION							
Outcome 9	Previous Financial Years Actual Performance		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	2010/11	2011/12	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To enhance public participation as per legislation						
Number of Operational Phakamas conducted	Conducting four Operational Phakamas in identified wards at a cost of R300,000 by June 2012	0 operational Phakamas	Conducting 4 Operational Phakamas in identified wards at a cost of R300,000 R250 000 by June 2013. (CC25/2013 dated 28/02/2013)	4 Operational Phakamas in conjunction with mass meetings			
INDICATOR	MEASURABLE OBJECTIVE: To develop a Community Development Plan to determine community satisfaction						
Community Based Plan (CBP) implemented in phases	Phase 2 – 3 completed	No phases completed	Implementing the Community Based Plan (CBP) in 35 wards and submitting report to Council at a cost of R1,000,000 R900 000 by June 2013. (CC25/2013 dated 28/02/2013)	Community Based Plan (CBP) implemented. R971 510			
LED / ENABLING ENVIRONMENT							
INDICATOR	MEASURABLE OBJECTIVE: To ensure alignment between LED strategies and PGDS to comply with legislation						
LED strategy and plans aligned	LED strategy and plans are aligned	Not yet	LED strategy and plans to be aligned with PGDS by March 2013	LED strategy and plans are aligned (CC 116/2012 dated 29/11/2012)			

# Chapter 3

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3

## IDP Projects (Grant & Council Funded)

# Chapter 3

DIRECTORATE: CIVIL SERVICES & HUMAN SETTLEMENTS										
IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ROADS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To provide main storm water drainage to ensure new infrastructure and better service delivery</b>									
Kilometres of main storm-water drainage constructed in <b>Jouberton(Phase 3)</b> from Tshepong Hospital to Schoonspruit River	Constructing 2,5 km of main storm-water drainage in <b>Jouberton (Phase 3)</b> from Tshepong Hospital to Schoonspruit river at a cost of R3 000 000 (CC 12/2012) by June 2012	2,5 km of open storm-water channel. Project planning phase completed	Constructing a 2 km main storm water drainage in <b>Jouberton (Phase 3)</b> from Tshepong Hospital to Schoonspruit river at a cost of R3 000 000 R2 921 137 by December 2012 June 2013 (CC25/2013 dated 28/02/2013)	Project completed. Certificate of Practical Completion received. R2 860 973						
Kilometres of main storm-water drainage (subsurface) constructed in <b>Jouberton (Phase 4)</b>	-	-	Constructing 2 km of main storm-water drainage (subsurface) in <b>Jouberton (Phase 4)</b> at a cost of R6 000 000 by June 2013	500 m completed. R1 480 920		Late appointment of the contractor (28/02/2013) due to lack of proper a planning and slow work rate of the contractor	Godirela Civils was appointed as cession holder to speed up the progress of the project and to complete the project on time			

# Chapter 3

IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ROADS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To pave taxi routes and upgrade storm water drainage systems to ensure a better accessibility to the community									
Km taxi routes paved and storm water drainage system upgraded as per program in <b>Jouberton (Phase 4B)</b>	Paving of 5.1 km taxi routes and upgrading of storm water drainage system as per program in <b>Jouberton (Phase 4B)</b> at a cost of R6,800,000 by June 2012	Contractor on Site R2,201,823	Paving of 5.1 km taxi routes and upgrading of storm water drainage system as per program in <b>Jouberton (Phase 4B)</b> at a cost of R6,800,000 R4 340 370 by March 2013. (CC25/2013 dated 28/02/2013)	Project completed. Received Certificate of Completion of Works. R3 272 618						
Km taxi routes paved and storm water drainage system upgraded as per program in <b>Jouberton (Phase 5)</b>	Paving of 5.1 km taxi routes and upgrading of storm water drainage system as per program in <b>Jouberton (Phase 5)</b> at a cost of R5,500,000 (CC 12/2012) by June 2012	Consultant appointed R9,202	Paving of 5.1 km taxi routes and upgrading of storm water drainage system as per program in <b>Jouberton (Phase 5)</b> at a cost of R5,500,000 R5 490 798 by June 2013. (CC25/2013 dated 28/02/2013)	Project completed. Received Certificate of Practical Completion. R3 857 372						
Km taxi routes paved and storm water drainage system upgraded as per program in <b>Jouberton (Phase 6)</b>	-	-	Paving of 5.5 km taxi routes and upgrading of storm water drainage system as per program in <b>Jouberton (Phase 6)</b> at a cost of R13 000 000 by June 2013	20% construction completed. R 3 231 124		Late appointment of contractor (28/02/2013) due to lack of proper planning and slow work rate of contractor	Revised construction programme to recover lost time. Project to be completed on 31 October 2013.			

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ROADS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To pave taxi routes and upgrade storm water drainage systems to ensure a better accessibility to the community									
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Tigane (Phase 5)</b>	Paving of 3.2 km of taxi routes and upgrading of storm-water drainage system as per programme in <b>Tigane (Phase 5)</b> at a cost of R4 000 000 (CC 12/2012) by June 2012	Consultant appointed R16 160	Paving of 3.2 km of taxi routes and upgrading of storm-water drainage system as per programme in <b>Tigane (Phase 5)</b> at a cost of R4 000 000 by June 2013	Project completed. Received Certificate of Completion of Works. R3 254 067						
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Tigane (Phase 6)</b>	-	-	Paving of 3.5 km of taxi routes and upgrading of storm-water drainage system as per programme in <b>Tigane (Phase 6)</b> at a cost of R7 200 000 by June 2013	Construction stage. R2 621 525		Late appointment of the contractor (28/02/2013) due to lack of proper planning and slow work rate of contractor	Revised construction programme to recover lost time. Project to be completed on 27 September 2013.			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To construct stone pitching and lining of storm-water drainage to ensure the speedy flow of water during rainy seasons									
Kilometres of stone pitching constructed and kilometres of storm-water drainage lined in <b>Khuma (Phase 2)</b>	Constructing 1,5 km of stone pitching and lining 1,5 km of storm-water drainage in <b>Khuma</b> from Big street to Farm 442 at a cost of R590 898 (CC 12/2012) by June 2012	1,5 km of R20 213 Project completed	Constructing 1,5 km of stone pitching and lining 1,5 km of storm-water drainage in <b>Khuma (Phase 2)</b> at a cost of R3 757 000 by June 2013	EPWP Project - Vuk'Uphile Emerging contractors. Mentor appointed. R210 588		Late appointment of the mentor by National Public Works. Nedbank, one of stakeholders, is still to approve the overdraft for contractors	Revised construction programme to recover lost time. Project to be completed on 13 December 2013.			

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ROADS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To pave taxi routes and upgrade storm water drainage systems to ensure a better accessibility to the community									
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Khuma (Phase 5)</b>	Paving of 3,4 km of taxi routes and upgrading of storm-water drainage systems per programme in <b>Khuma (Phase 5)</b> at a cost of R4 000 000 (CC 12/2012) by June 2012	Consultant appointed R1 825	Paving of 3.4 km taxi routes and upgrading of storm water drainage systems per program in <b>Khuma (Phase 5)</b> at a cost of R4,000,000 R3 998 170 by June 2013 (CC98/2012 dated 21/08/2012)	Project completed. Received Certificate of Completion. R3 158 233						
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Khuma (Phase 6)</b>	-	-	Paving of 3.5 km taxi routes and upgrading of storm water drainage systems per program in <b>Khuma (Phase 6)</b> at a cost of R7 200 000 by June 2013	Project 20% completed. R3 390 535		Late appointment of the contractor (28/02/2013) due to lack of proper planning and slow work rate of contractor	Revised construction programme to recover lost time. Project to be completed on 27 September 2013.			
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Alabama (Phase 4)</b>	Paving of 2,6 km of taxi routes and upgrading of storm-water drainage system as per programme in <b>Alabama (Phase 4)</b> at a cost of R4 000 000 (CC 12/2012) by June 2012	Consultant appointed R1 825	Paving of 2.6 km taxi routes and upgrading of storm water drainage system as per program in Alabama (Phase 4) at a cost of R4,000,000 R3 983 840 by June 2013 (CC98/2012 dated 21/08/2012)	Project completed. Received Certificate of Completion. R3 153 858						

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ROADS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To pave taxi routes and upgrade storm water drainage systems to ensure a better accessibility to the community									
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Alabama (Phase 5)</b>	-	-	Paving of 3,5 km of taxi routes and upgrading of storm-water drainage system as per programme in <b>Alabama (Phase 5)</b> at a cost of R7 200 000 by June 2013	Project 20% completed. R2 535 063		Late appointment of the contractor (28/02/2013) due to lack of proper planning and slow work rate of contractor	Revised construction programme to recover lost time. Project to be completed on 27 September 2013.			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To construct stone pitching and lining of storm-water drainage to ensure the speedy flow of water during raining seasons									
Kilometres of stone pitching constructed and kilometres of storm-water drainage lined in <b>Kanana (Phase 1)</b>	-	-	Constructing 1,5 km of stone pitching and lining 1,5 km of of storm-water drainage in <b>Kanana (Phase 1)</b> at a cost of R5 000 000 by June 2013	EPWP Project - Vuk'Uphile Emerging contractors. Mentor appointed. R358 709		Late appointment of the mentor by National Public Works. Nedbank, one of stakeholders, is still to approve the overdraft for contractors	Revised construction programme to recover lost time. Project to be completed on 13 December 2013.			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To pave taxi routes and upgrade storm-water drainage systems to ensure better accessibility to the community									
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Kanana (Lenong Road) (Phase 2B)</b>	Paving of 1,55 Kilometres of and 1,4Kilometres of rehabilitation of taxi routes and upgrading of storm-water drainage system in <b>Kanana (Lenong Road)</b> at a cost of R5 108 465 by June 2012	New Contractor appointed R447 327	Paving of 1,55 km of and 1,4 km of rehabilitation of taxi routes and upgrading of storm-water drainage system in <b>Kanana (Lenong Road)(Phase 2B)</b> at a cost of R2 957 973 by March 2013	Project completed. Received Certificate of Completion. R2 429 001						

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ROADS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To pave taxi routes and upgrade storm water drainage systems to ensure a better accessibility to the community									
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Kanana (Phase 5)</b>	Paving of 3,25 km of taxi routes and upgrading of storm-water drainage system as per programme in <b>Kanana (Phase 5)</b> at a cost of R4 000 000 (CC 12/2012) by June 2012	Contractor appointed R25 042	Paving of 3.249 km taxi routes and upgrading of storm water drainage system as per program in <b>Kanana (Phase 5)</b> at a cost of R4,000,000 R3 974 958 by June 2013	Project completed. Received Certificate of Completion. R3 603 119						
Kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in <b>Kanana (Phase 6)</b>	-	-	Paving of 3,5 km of taxi routes and upgrading of storm-water drainage system as per programme in <b>Kanana (Phase 6)</b> at a cost of R7 200 000 by June 2013	Project 20% completed. R2 056 329		Late appointment of the contractor (28/02/2013) due to lack of proper planning and slow work rate of contractor	Revised construction programme to recover lost time. Project to be completed on 27 September 2013.			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To settle the 5% retention for the pave taxi routes and upgrade storm-water drainage systems to ensure better accessibility to the community									
% retention payments done for kilometres of taxi routes paved and storm-water drainage system upgraded as per programme in Kanana (Phase 4)	Paving of 3,43 km of taxi routes and upgrading of storm-water drainage system in Kanana (Phase 4) at a cost of R6 668 160 by June 2012	3,43 km of Road paved R6 566 665 Project completed – On retention	Paying 5% retention money for the paving of 3,43 km of taxi routes and upgrading of storm-water drainage system in Kanana (Phase 4) at a cost of R356 113 by June 2013	5% Retention money paid. R356 113						

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ROADS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To rehabilitate old landfill sites to ensure a safer environment									
Old landfill sites rehabilitated	Rehabilitating of old landfill sites at Stilfontein, Klerksdorp and Orkney (investigations by professional service providers) at a cost of R1 399 043 by June 2012	Contractor appointed R148 990	Rehabilitating of old landfill sites at Stilfontein, Klerksdorp and Orkney at a cost of R14 196 668 by June 2013	Only Stilfontein and Orkney landfill sites completed. Received Certificate of Practical Completion. R10 398 962		Did not obtain a permit for the Klerksdorp landfill site due to the new Environmental Act.	To re-apply for a permit.			
<b>WATER</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To improve bulk water supply in Khuma to ensure a basic water service									
Bulk water supply improved with a new 10 Mℓ reservoir for <b>Khuma proper (Phase 3)</b>	Supplying bulk water pressure tower (approx. 10,8 m) <b>Khuma proper (Phase 2)</b> at a cost of R636 290 by March 2012	98% Completion R636 290	Improving bulk water supply with a new 10 Mℓ reservoir for <b>Khuma proper (Phase 3)</b> proper at a cost of R7 500 000 <del>and R4,000,000 (counter funding)</del> by June 2013 (CC98/2012 dated 21/08/2012)	Construction 2,5 m-high 10 Mℓ reservoir completed. R7 281 113						
Bulk water supply improved with a new 2 Mℓ reservoir for <b>Khuma proper (Phase 2B)</b>	Supplying bulk water pressure tower (approx. 10,8m) <b>(phase 2B)</b> to <b>Khuma proper</b> at a cost of R9 555 953 (Revised – CC 12/2012) by March 2012	98% Completion R6 004 886	Improving bulk water supply with a new 2 Mℓ reservoir for <b>Khuma proper (Phase 2B)</b> proper at a cost of R3 000 000 (counter funding) by June 2013	Project completed. Close-up report received. Retention period. R1 906 436						

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>WATER</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To supply water to rural schools and clinics to improve service delivery in rural settlements									
Water supplied to four rural schools and two clinics as per programme in the KOSH area	-	-	Supplying water to four rural schools and two clinics as per programme in the KOSH area at a cost of R2 000 000 by June 2013	Construction stage. R0		Due to the change in scope, the project was delayed. The project was re-designed and re-advertised, which delayed the appointment of the contractor.	The scope was changed and submitted to DWA for approval. The procurement of the contractors will be fast tracked			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To increase capacity of the zinc tank in Tigane ext 4 to meet community demand									
Mega litre capacity increased of the current zinc tank in <b>Tigane ext 4</b>	Increasing the capacity of the current 0,25 Mℓ zinc tank in <b>Tigane ext 4</b> to a 0,5 Mℓ zinc tank at a cost of R1 440 960 (CC 12/2012) by June 2012	Not yet R0 00	Increasing the capacity of the current 0.25 Mℓ zinc tank in <b>Tigane ext 4</b> to a 0.5 Mℓ zinc tank at a cost of <del>R1,440,960</del> R1 402 860 by <del>December 2012</del> June 2013 (CC 98/2012 dated 21/08/2012)	Contractor on site. Construction stage. R0		Due to the change in scope, the project was delayed. The project was re-designed and re-advertised, which delayed the appointment of the contractor.	The contractor, Lele & Tshidi, was appointed and the project is in progress			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To upgrade telemetry software system to ensure sustainable water flow									
Telemetry software system upgraded	-	-	Upgrading the telemetry software system in the KOSH area at a cost of R1,500,000 by <del>December 2012</del> March 2013 (CC 8/2013 dated 31/01/2013)	Construction stage. R35 578		Awaiting for the calibration of the system SSE only started in May 2013	Calibration to be finalised in September 2013			

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>WATER</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To supply water from Dawkinsville reservoir to Goudkoppie (N12) to improve the basic water service</b>									
Supplying water from Dawkinsville reservoir and the installing bulk line services ( $\pm$ 4,5 km) to Goudkoppie (N12 East areas)(Phase 1)	Supplying water from Dawkinsville reservoir and the installing bulk line services ( $\pm$ 4,5 km) to Goudkoppie (N12 East areas)(Phase 1) at a cost of R4 223 670 by June 2012	Construction stage R4 009 248	Supplying water from Dawkinsville reservoir and installing bulk line services ( $\pm$ 4,5 km) to Goudkoppie (N12 East areas) <b>(Phase 2)</b> at a cost of R4 000 000 and R547 368 (top-up funding) by June 2013	Lele & Tshidi Contractors' services terminated and TRNCheless contractors appointed. Construction stage. R197 856. Top-up funding utilised. R480 147		1 <sup>st</sup> contractor's service was terminated Appointed 2 <sup>nd</sup> contractor delayed the process. Project on hold due to the financial constraints within the municipality. The project will be budgeted for in the next financial year and be forwarded to DWA for approval	2 <sup>nd</sup> Contractor on site, due contractor will assisted and be monitored daily to increase the progress on site			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To improve water quality for the community</b>									
Chlorine station refurbished	-	-	Refurbishing the Ou Dorp, Jouberton, Orkney, Dawkinsville, Muranti, Doringkruin, Mines Road and Mooi Street reservoir chlorine stations by replacing the chlorine booster pump and chlorinators at a minimum cost of R1 500 000 by June 2013	Construction stage – building portion completed. R708 512		Because the construction of the building was delayed, it was not completed in time	The project will be completed in the 2013/2014 financial year end November 2013			

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>SANITATION</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To increase the holding capacity at the WWTP in Hartbeesfontein to ensure the effluent standards meet the requirements									
Increasing the holding capacity at the <b>Hartbeesfontein WWTP (Phase 1) – Civil Works</b>	Increasing the holding capacity at the <b>Hartbeesfontein WWTP (Phase 1)</b> from 4 Mℓ to 8 Mℓ/day at a cost of R20 000 000 (CC12/2012) by June 2012	Civil works 69% completed R8 655 765	Increasing the holding capacity at the <b>Hartbeesfontein WWTP (Phase 1) civil works</b> to the capacity from 4Mℓ to 8Mℓ /day at a cost of R13,459,186 R9 438 811 by <del>September 2012</del> June 2013 (CC 98/2012 dated 21/08/2012)	98% progress on Civil Works. R4 675 547		Service providers appointed too late to complete project within the year for MIG projects. Council-funded projects were delayed due to cash flow constraints	Advertising for appointment of service providers was done earlier than the previous year. A schedule of BIT committee members was developed to ensure timeous appointment of service providers to minimise underspending			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To increase the holding capacity at the WWTP in Hartbeesfontein to ensure the effluent standards meet the requirements									
Increasing the holding capacity at the <b>Hartbeesfontein WWTP (Phase 1) – Mechanical Works</b>	-	-	Increasing the holding capacity at the <b>Hartbeesfontein WWTP (Phase 1) Mechanical works</b> to the capacity from 4Mℓ to 8Mℓ /day at a cost of R14 392 332 by <del>March 2013</del> June 2013. (CC 8/2013 dated 31/01/2013)	Project 90% completed. R 14 348 726		Service providers appointed too late to complete project within the year for MIG projects. Council-funded projects were delayed due to cash flow constraints	A schedule of BIT committee members was developed to ensure timeous appointment of service providers to minimise underspending			

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>SANITATION</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To increase the holding capacity at the WWTP in Hartbeesfontein to ensure the effluent standards meet the requirements									
Increasing the holding capacity at the <b>Hartbeesfontein WWTP (Phase 2)</b>	-	-	Increasing the holding capacity at the <b>Hartbeesfontein WWTP (Phase 2)</b> mechanical and electrical works as per tender document (counter funding) to the capacity from 4Mℓ to 8Mℓ /day at a cost of R5,292,306 and R7,500,000 R0 by March 2013. (CC25/2013 dated 28/02/2013)	Project 90% completed. R4 733 167		Service providers appointed too late to complete project within the year for MIG projects. Council-funded projects were delayed due to cash flow constraints	A schedule of BIT committee members was developed to ensure timeous appointment service providers to minimize under-spending			
<b>DIRECTORATE: ELECTRICAL AND MECHANICAL ENGINEERING</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To electrify Jouberton Ext 24 to ensure a basic level of electricity									
High mast lights installed in Kanana (phase 4)	Installing 20 high mast lights in Kanana (phase 4) at a cost of R2 000 000 (Revised – CC 12/2012) by June 2012	Contractor busy with construction.	Installing eight nine high mast lights in Kanana (ward 22 - 26)(phase 4) at a cost of R600,000 R2 435 665 by June March 2013	Nine high mast lights erected. Electrical reticulation and commissioning. Received close-out report. R1 790 653						

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ELECTRICAL AND MECHANICAL</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To electrify Jouberton Ext 24 to ensure a basic level of electricity									
Number of houses in <b>Jouberton Ext 24 (Phase 3)</b> electrified	-	-	Electrification of 18 houses in <b>Jouberton Ext 24 (ward 12)(Phase 3)</b> at a cost of R180 000 by March 2013	22 Houses electrified – project completed. R82 656						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To electrify Jouberton Ext 24 to ensure a basic level of electricity									
High mast lights installed in <b>Jouberton Ext 24 (Phase 1)</b>	Installing 10 high mast lights in <b>Jouberton Ext 24 (Phase 1)</b> at a cost of R1 000 000 (CC 12/2012) by June 2012	Contractor on site.	Installing 5 4 high mast lights in <b>Jouberton Ext 24 (ward 12)(phase 1)</b> at a cost of <del>R300,000</del> R1 000 000 by June 2013 (CC 98/2012 dated 21/08/2012)	Four high mast lights erected. Electrical reticulation and commissioning. Received close-out report. R885 474						
Number of houses in <b>Jouberton Ext 24 (Phase 2)</b> electrified	Electrification of 829 houses in <b>Jouberton Ext 24 (Phase 2 top-up funds)</b> at a cost of R8 719 000 by June 2012	Network to connect 829 houses completed at an expenditure of R2 450 505	Electrification of 1,192 houses in <b>Jouberton Ext 24 (ward 12)(Phase 2)</b> at a cost of <del>R8,719,000</del> R8 460 922 by June 2013 (CC 98/2012 dated 21/08/2012)	1 192 houses connected – project completed. R8 149 292						

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ELECTRICAL AND MECHANICAL</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To electrify Brakspruit CPA to ensure a basic level of electricity									
Number of stands at Brakspruit CPA electrified	-	-	Electrification of 110 stands at Brakspruit CPA at a cost of R1 000 000 by June 2013	Project 10% completed. R67 709		The agreement between Eskom and the municipality was the project will be implemented by the municipality in accordance within Eskom's designs standard and handed over to Eskom after completion. Eskom delayed approving designs	Project to be completed in November 2013. Roll-over requested. Improved communication between the municipality and Eskom at the planning stage, for approval and implementation of projects affecting the two organisations to ensure that projects are done within the targeted time frames			

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IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ELECTRICAL AND MECHANICAL</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To install high mast lights to better service delivery</b>									
High mast lights installed in <b>Kanana (Phase 5)</b>	Installing 20 high mast lights in <b>Kanana (phase 4)</b> at a cost of R2 000 000 (Revised – CC 12/2012) by June 2012	Contractor busy with construction.	Installing eight high mast lights in <b>Kanana (ward 22 – 26) (phase 5)</b> at a cost of R2 000 000 by June 2013	Eight high mast lights erected. Electrical reticulation and commissioning. Certificate of Completion received. R759 187						
High mast lights installed in <b>Jouberton Ext 24 (Phase 2)</b>	-	-	Installing eight high mast lights in <b>Jouberton Ext 24 (ward 12) (phase 2)</b> at a cost of R2 000 000 by June 2013	Eight high mast lights erected. Electrical reticulation and commissioning. Certificate of Completion received. R1 501 489						
High mast lights installed in <b>Tigane (Phase 2)</b>	-	-	Installing eight high mast lights in <b>Tigane (wards 1 &amp;2) (phase 2)</b> at a cost of R2 000 000 by June 2013	Eight high mast lights erected. Electrical reticulation and commissioning. Certificate of Completion received. R1,525,288						

# Chapter 3

IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ELECTRICAL AND MECHANICAL</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To install high mast lights to better service delivery									
High mast lights installed in Alabama Ext 3 (Phase 1)	-	-	Installing eight high mast lights in <b>Alabama Ext 3 (ward 4) (phase 1)</b> at a cost of R2 000 000 by June 2013	Eight high mast lights erected. Electrical reticulation and commissioning. Certificate of Completion received. R1 509 424						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To upgrade mechanical and electrical equipment at pump station to ensure the maintenance of the existing infrastructure									
Numbers of mechanical and electrical equipment at pump stations in the <b>KOSH area</b> upgraded	Upgrading of six mechanical and electrical equipment at pump stations (Phase 2) (Volume 3) at Mines Road and Mooi Street – Stilfontein; Ellaton, Brooks Street	Project 95 % completed R10 358 150	Upgrading of five mechanical and electrical equipment at pump stations (Volume 4) at Rietkuil – Jouberton (ward 12); Linda, Lorraine and Tigane – Tigane (wards 1 and 2) and Alabama (wards 3 and 4) in the amount of R8 000 000 by June 2013	Material ordered. Project 10% completed. R372 153		Late registrations of the project with MIG due to technical report to be done by DWA	Submission of DWA delayed project to be done in February and do follow up with DWA on a regular basis to ensure performance by DWA and MIG			

# Chapter 3

IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ELECTRICAL AND MECHANICAL</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To upgrade mechanical and electrical equipment at pump station to ensure the maintenance of the existing infrastructure									
Number of mechanical and electrical equipment at pump station in Ellaton upgraded	-	-	Upgrading of 1 mechanical and electrical equipment in pump station (Volume 3) at Ellaton (ward 8 & 29) to the amount of R2 422 000 R2 140 000 by December 2012 March 2013 (CC 98/2012 dated 21/08/2012)	Installation and commissioning. Project completed. R1 911 600						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To upgrade Jouberton main substation to ensure adequate supply of electricity									
Jouberton main substation upgraded	-	-	Upgrading of Jouberton main substation building with a 68 m <sup>2</sup> extension and additional 2 x 11 KV panels in the amount of R1 320 000 by June 2013	Busy with manufacturing of equipment. Project 98% completed. R686 079		Delay in finalisation in manufacturing of panels due to high volume of orders received by manufacturer	Project will be completed end of July 2013. Roll-over requested			

# Chapter 3

## DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

### LIBRARIES

INDICATOR	MEASURABLE OBJECTIVE: To address shortcomings by improve library services and maintenance						
Shortcomings at various libraries addressed according to the approved project business plan	Addressing shortcomings at various libraries according to the approved project business plan at a cost of R400 000 by June 2012	Shortcomings addressed R212 586 Project completed	Addressing shortcomings at various libraries according to the approved project business plan at a cost of R400 000 by June 2013	Architectural plans for car port drawn up. R8 941		The grant was received late in the financial year	The DORA grant will be spent as per the approved project plan in the 2013/14 financial year

INDICATOR	MEASURABLE OBJECTIVE: To provide a library service in Khuma to provide educational and recreational facilities for the intellectual upliftment of the community						
Square metres of community library in <b>Khuma Ext 8</b> built	Building a 681,39 m <sup>2</sup> community library in <b>Khuma Ext 8</b> at a cost of R4 000 000 by May 2012	681,39 m <sup>2</sup> library completed R3 435 104	Building a 681,39m <sup>2</sup> community library in <b>Khuma Ext 8</b> at a cost of <del>R1,658,556</del> R564 896 by <del>September 2012</del> March 2013 (CC 98/2012 dated 21/08/2012)	681,39 m <sup>2</sup> library completed. Certificate of Completion received. R828 852			

### PARKS AND CEMETERIES

INDICATOR	MEASURABLE OBJECTIVE: To equip an environmental education centre at Faan Meintjes to ensure capacity building in the community						
Environmental educational centre at <b>Faan Meintjes Nature Reserve</b> (additional funding). Built and equipped	Building and equipping an environmental educational centre at Faan Meintjes Nature Reserve (additional funding) at a cost of R2 321 740 by June 2012	Environmental educational centre built R1 976 642	Equipping the environmental educational centre at Faan Meintjes Nature Reserve (additional funding) at a cost of <del>R2,500,000</del> R118 841 by March 2013 (CC25/2013 dated 28/02/2013)	98% completed – On retention. R118 840		Contractor sacked Council Civil to complete Centre with retention fund	Project to be completed in 2013/2014 if funds approved on budget

# Chapter 3

IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>PARKS AND CEMETERIES</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To develop Jouberton regional cemetery to enhance service delivery									
Jouberton regional cemetery infrastructure developed	-	-	Developing the infrastructure (one ablution facility, one water supply and 1,6 km of fencing) at Jouberton regional cemetery at a cost of R1 200 000 by June 2013	1,6 km of fencing completed. R126 564		Water pipe tender from Civil not finalised and need to make use of this tender to complete the project	Roll-over requested and Civil department via the Municipal Manager instructed to finalise the tender as soon as possible			
<b>FIRE AND RESCUE</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To purchase fire bush units to improve service and quality of life									
To purchase bush fire units to improve service and quality of life	-	-	Purchasing two 4x4 bush fire units for the KOSH area for fighting fire at a cost of <del>R1,200,000</del> R448 735 by <del>December 2012</del> March 2013 (CC 98/2012 dated 21/08/2012) and (CC 8/2013 dated 31/01/2013)	Three 4x4 bush fire units purchased. R447 988						

# Chapter 3

IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>SPORT AND RECREATION</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To upgrade Council sport facilities to maintain aging infrastructure									
Kanana sport stadium upgraded	-	-	Upgrading of the Kanana sport stadium as per the business plan at cost of R2 000 000 by June 2013	Project not started yet. R17 393		Tenders finalised on 15/5/2013. Sport-Irrigation Systems advertised four times due to noncompliance with tenders	Roll-over requested – as soon as approved, tenders will be re-invited			
Khuma sport stadium upgraded	-	-	Upgrading of the Khuma sport stadium as per business plan at cost of R3 000 000 by June 2013	Only fence and electricity done. Project 3,5% completed. R103 760		Tenders finalised on 15/5/2013. Sport-Irrigation Systems advertised four times	Civil consultants to be appointed. Roll-over requested			
Alabama sport stadium upgraded	-	-	Upgrading of the Alabama sport stadium as per business plan at a cost of R2 000 000 by June 2013	Fence courts completed. Project 25% completed. R421 200		Tenders finalised on 15/5/2013. Sport-Irrigation Systems advertised four times	Civil consultants to be appointed. Roll-over requested			
Tigane stadium upgraded	-	-	Upgrading of the Tigane stadium as per programme at cost of R2 000 000 by June 2013	Project not yet started. R18 259		Tenders finalised on 15/5/2013. Sport-Irrigation Systems advertised four times	Civil consultants to be appointed. Roll-over requested			

# Chapter 3

IDP Projects Grant & Council Funded	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>DIRECTORATE: MARCO CITY PLANNING AND DEVELOPMENT</b>										
<b>LOCAL ECONOMIC DEVELOPMENT</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To build flea market shelters to create sustainable SMME's									
Number of square metres of flea market shelters built	-	-	Building approx.18 m <sup>2</sup> flea market shelters in Klerksdorp-Tigane for 10 entrepreneurs at a cost of R1,000,000 R962,125 by June 2013 (phase 3) (CC25/2013 dated 28/02/2013)	10 approx.18 m <sup>2</sup> flea market shelters built in Tigane. R767 774						

# Chapter 3

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## Capital Projects

# Chapter 3

DIRECTORATE: CIVIL SERVICES & HUMAN SETTLEMENTS										
Capital Projects	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>ROADS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To reseal roads to maintain the existing road infrastructure									
Kilometres of roads resealed in the KOSH area	Resealing of 5 km of roads in the KOSH area at a cost of R4 115 610 by March 2012	Contractor on site	Resealing of 5 km roads in the KOSH at a cost of <del>R4 115 610</del> R7 394 540 by December 2012. (CC98/2012 dated 21/08/2012)	5 km of roads resealed – project completed R6 044 269						
<b>WATER</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To replace bulk water meters to ensure accurate meter reading									
Number of bulk water meters replaced in the KOSH area	Replacing a minimum of 1 000 bulk water meters greater than 50 mm in the KOSH area at a cost of R2 000 000 by June 2012	1 000 bulk meters replaced R1 860 552 Project completed	Replacing a minimum of four bulk water meters greater than 50 mm in the KOSH area at a cost of R130 171 by June 2013	Four bulk meters replaced – project completed. R130 171						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To refurbish networks to ensure effective and continuous water supply									
Water network refurbished in the KOSH area	Refurbishing a minimum of 50 water valves and 2,5 km of water network in the KOSH area at a cost of R1 200 000 by June 2012	1 600 m network constructed and 30 valves installed R1 052 632	Refurbishing a minimum of 1,5 km of water network in the KOSH area at a cost of R370 150 by June 2013	1,5 km of water network refurbished. R324 693						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To refurbish valves to ensure complete isolation on water networks									
Minimum number of valves in the KOSH area replaced	Replacing a minimum of 16 valves in the KOSH area at a cost of R1 118 440 by December 2011	16 valves purchased and installed R1 101 572	Replacing a minimum of 57 valves in the KOSH area at a cost of R284 720 by June 2013	57 valves replaced. R244 671						

# Chapter 3

## DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

Capital Projects	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>WASTE MANAGEMENT</b>										
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To finalize payments for purchases of mass containers to enhance efficiency and replace old / broken containers									
Number plastic containers (85ℓ) for the KOSH area purchased	Purchasing 1 000 2,400 plastic containers (85ℓ) for the KOSH area at a cost of R471 007 + R150 000 (CC 03/2012) by June 2012	2 400 containers were purchased R0,00	Finalising of payments for purchasing 2 200 plastic containers (85 ℓ) for the KOSH area at a cost of R499 868 by March 2013 (CC98/2012 dated 21/08/2012)	Fresco and Puro Chemicals payment finalised. R499 867						
<b>LICENSING</b>										
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To refurbish the Orkney license offices to improve aging infrastructure and better service delivery									
Orkney learners licensing hall, Life Scan office and waiting room refurbished	Refurbishing the Orkney learners licensing hall and vehicle turning radius at a cost of R200 000 by March 2012	Hall painted, front door replaced, ceiling repaired R118 661	Refurbishment of Orkney learners licensing hall, Life Scan office and waiting room with floor and air conditioner at a cost of R168 473 by June 2013 (CC98/2012 dated 21/08/2012)	Project completed. R49 770						

# Chapter 3

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## Operational

# Chapter 3

## KEY PERFORMANCE AREA 1: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

### DIRECTORATE: CIVIL SERVICES & HUMAN SETTLEMENTS

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>WATER</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To clean reservoirs to comply with legislation									
Number of reservoirs cleaned	Cleaning 39 reservoirs in the KOSH area by June 2012	39 reservoirs cleaned	Cleaning 40 reservoirs in the KOSH area by June 2013	40 Reservoirs cleaned. R98 163						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To obtain Blue Drop status to improve water quality and water management									
A minimum standard of 95% Blue Drop status obtained	Obtaining a minimum standard of 95% Blue Drop status by December 2011	Blue Drop status obtained	Obtaining a minimum standard of 95% Blue Drop status by June 2013	Assessments in process. Only to be announced during September 2013		Minister of DWA will only release the results during September 2013	Results to be announced during September 2013			
<b>SANITATION</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To maintain main sewer to ensure maintenance of main sewers throughout the year									
Kilometres of main sewers cleaned	Cleaning 20 km of main sewers as per programme in the KOSH area by June 2012	15,98 km	Cleaning 20 km of main sewers as per programme in the KOSH area by June 2013	14 km		Due to jetvac truck breakdown, backlog could not be completed	Training and supervision to be done. Repair arrangements process to be sped up			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To obtain Green Drop status for improved waste water quality management									
A minimum standard of 95% Green Drop status obtained	Obtaining a minimum standard of 95% Green Drop status by June 2012	90% status	Obtaining a minimum standard of 95% Green Drop status by June 2013	Assessments in process		Minister of DWA will only release the results during September 2013	Results to be announced during September 2013			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>TOWN-PLANNING AND BUILDING CONTROL</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To approve building plans to comply with legislation</b>									
Number of building plans approved	Approving 800 building plans in terms of the National Building Regulations by June 2012	1 203 building plans approved	Approving 800 building plans in terms of the National Building Regulations by June 2013	1 187 building plans approved						
Number of building plan applications received	Receiving 450 building plan applications for residential additions by June 2012	1 232 Building Plans received	Receiving 600 building plan applications for residential additions by June 2013	857 building plans received						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To maintain the GIS system to enhance service delivery</b>									
GIS system maintained	New project	Existing system	Maintaining the GIS system for the KOSH area at an amount of R200 000 by June 2013	Not yet R0		Project on hold due to financial constraints	A tender will be placed on 10 August 2013 to procure professional expertise to maintain the GIS system			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>HUMAN SETTLEMENTS</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To registered and deregistered Title Deeds to ensure secure tenure and ownership of houses</b>									
Number of title deeds of pre 1994 old stock houses transferred through the Deeds Office to the beneficiaries	Transferring 1 900 title deeds of pre-1994 old stock houses through the Deeds Office to the beneficiaries at a cost of R500 000 by June 2012	772 title deeds lodged R0.00	Transferring 1,825 – 2 332 Title Deeds of pre 1994 old stock houses through the Deeds Office to the beneficiaries at a cost of R200 000 by June 2013 (CC 8/2013 dated 31/01/2013)	151 title deeds transferred. R42 280		Non-performance of the current attorney to deal with transferring of title deeds	Matter to be referred to Council panel of attorneys for appointment of a new attorney			
Deregistering of title deeds	Deregistering of title deeds at a cost of R224 000 (Revised – CC 07/2012) by June 2012	R0,00	Deregistering of title deeds in Kanana and Jouberton at a cost of R200 000 by June 2013	Affidavit has been sent to the attorney for processing at the Deeds Office. R18 817		Late appointment of Council's panel of attorneys	Attorney to be appointed to attend to the deregistration of the title deeds process			
<b>DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES</b>										
<b>PARKS AND CEMETERIES</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To manage the airport effectively to comply with legislation</b>									
Annual airport licence renewed	Renewing the annual PC Pelser Airport licence to obtain authority to operate an airport at a cost of R4 611 by June 2012	Annual airport licence renewed R3 720	Renewing the annual PC Pelser Airport licence to obtain authority to operate an airport at a cost of R4 611 by June 2013	Annual airport license renewed R3 720						

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To manage the airport effectively to comply with legislation						
Number of inspections conducted at airport	Conducting four inspections at PC Pelser Airport to ensure aviation safety by June 2012	Four inspections	Conducting four inspections at PC Pelser Airport to ensure aviation safety by June 2013	Four inspections			
<b>SOLID WASTE REMOVAL</b>							
INDICATOR	MEASURABLE OBJECTIVE: To appoint environmental management officials to comply with legislation and to enhance sustainable environmental development						
Number of officials in the environmental management section appointed	Appointing of 11 officials in the environmental management section by December 2011	No officials appointed	Appointing 11 officials in the environmental management section by December 2012	Departmentally trained and appointed 11 internal officials on 10 October 2012 as Peace Officers			
<b>LIBRARIES</b>							
INDICATOR	MEASURABLE OBJECTIVE: To present awareness programmes to promote library awareness amongst adults, learners and youth						
Number of awareness programmes presented at all KOSH libraries	Presenting 50 awareness programmes at all KOSH libraries by June 2011	173 awareness programmes	Presenting <del>60</del> 80 awareness programmes at all KOSH libraries by June 2011 (CC 8/2013 dated 31/01/2013)	143 awareness programmes			
Number of awareness programmes presented at schools in the KOSH area	Presenting eight awareness programmes at schools in the KOSH area by June 2012	16 awareness programmes	Presenting 16 awareness programmes at schools and other venues in the KOSH area by June 2013	20 awareness programmes			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To present awareness programmes to promote library awareness amongst adults, learners and youth						
Number of library interest events presented	Presenting eight library interest events in the KOSH area by June 2012	14 library interest events	Presenting eight library interest events in the KOSH area by June 2013	15 library interest events			
<b>MUSEUM</b>							
INDICATOR	MEASURABLE OBJECTIVE: To provide an educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners						
Number of consultation sessions convened	Convening 44 consultation sessions with formal and informal educators to create heritage awareness and disseminate educational content by June 2012	104 consultation sessions	Convening 80 consultation sessions with formal and informal educators to create heritage awareness and disseminate educational content by June 2013	88 consultation sessions			
Number of lifelong skills development programmes presented	Presenting 30 lifelong skills development programmes to unemployed women, youth and physically disadvantaged persons to empower them to develop entrepreneurial skills by June 2012	31 programmes	Presenting 30 lifelong skills development programmes to unemployed women, youth and physically disadvantaged persons to empower them to develop entrepreneurial skills by June 2013	32 programmes R21 600			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To provide an educational services to ensure community participation, empower unemployed youth, women and disabled persons and to capacitate learners						
Number of educational programmes presented	Presenting 60 educational programmes to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of KOSH in particular by June 2012	91 programmes	Presenting 75 educational programmes to learners and adults to expand their knowledge of SA history and cultural heritage in general and that of KOSH in particular by June 2013	95 programmes R3 696			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To manage heritage resources by promoting heritage awareness						
Number of heritage awareness projects convened	Convening eight heritage awareness projects to disseminate knowledge regarding heritage conservation and promote cultural heritage and national unity by Jun 2012	Eight projects	Convening eight heritage awareness projects to disseminate knowledge regarding heritage conservation and promote cultural heritage and national unity by June 2013	12 projects R40 158			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To draft a museum policy to obtain a mandate from Council to ensure sound ethical museum practices						
Museum policy drafted	Drafting a museum policy to ensure sound ethical museum practices as guided by principles of the International Council of Museums and the SA Museum Association Code of Ethics by June 2012	Policy drafted	Drafting a museum policy to ensure sound ethical museum practices as guided by principles of the International Council of Museums and the SA Museum Association Code of Ethics by June 2013	Policy drafted. Submitted to Council. Not yet approved			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>SPORT AND RECREATION</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To ensure sound sport administration</b>									
Number of sports council meetings held	Conducting six sport council meetings to ensure the smooth running of sports clubs by June 2012	Seven meetings	Conducting six sports council meetings to ensure the smooth running of sports clubs by June 2013	Seven meetings						
<b>FIRE AND RESCUE SERVICES</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To adhere to Fire Codes and Regulations and comply with fire codes (SANS) and regulations</b>									
Number of fire inspections conducted	Conducting 800 general fire inspections in the KOSH area by June 2012	1 858 Inspections	Conducting 1 000 general fire inspections according to programme in the KOSH area by June 2013	1 069 Inspections						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE: To promote fire safety</b>									
Number of ward sessions conducted	Conducting 12 fire prevention information sessions in identified wards by June 2012	17 ward sessions	Conducting 12 fire prevention information sessions according to programme in identified wards by June 2013	19 ward sessions						

# Chapter 3

## KEY PERFORMANCE AREA 2: LOCAL ECONOMIC DEVELOPMENT

### DIRECTORATE: MACRO CITY PLANNING AND DEVELOPMENT

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>LOCAL ECONOMIC DEVELOPMENT</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To implement cooperatives in all wards to comply with legislation									
Number of cooperatives established and functional	30 cooperatives established and still functional in wards where the CWP is implemented by June 2012	30 cooperatives established	35- 4 Cooperatives (1 per ward town ) in KOSH area established by June 2013 (C98/2012 dated 21/08/2012)	Four cooperatives (one per ward / town )						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To revise the LED strategy to comply with legislation									
LED strategy revised	LED strategy revised by March 2012	None	Revising the LED strategy by March 2013	LED strategy revised and adopted (CC 116/2012 dated 29/11/2012)						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To conduct consultations meeting to assist SMMEs									
Number of LED consultation meetings conducted with stakeholders	Conducting 12 LED consultation meetings with stakeholders by June 2012	12 meetings	Conducting 12 LED consultation meetings with stakeholders by June 2013	12 LED consultation meetings						
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To conduct workshops to assist SMMEs									
Number of SMME workshops conducted to capacitate SMMEs	Conducting four SMME workshops to capacitate SMMEs by June 2012	11 SMME workshops	Conducting four SMME workshops to capacitate SMMEs by June 2013	4 SMME workshops						

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>CORPORATE COMMUNICATION</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To do city marketing to promote the city									
R value spent on marketing activities	Spending R2 066 028 on marketing (CC 07/2012) by June 2012	R904 184	Spending R706,894-R500 000 on marketing activities according to marketing strategy plan by June 2013 (CC25/2013 dated 28/02/2013)	R289 049		Due to a low collection rate savings were made whenever possible and the implementation hereof postponed to the next financial year	R58 862 outstanding payment orders			
<b>KEY PERFORMANCE AREA 3: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>										
<b>DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL</b>										
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To develop a 5 year strategic plan for Council to ensure effective direction									
5-year strategic plan for Council developed	New project	New project	Developing and implementing a 5 year strategic plan for Council by <del>March 2013</del> June 2013 (CC 8/2013 dated 31/01/2013)	Facilitation resumed. R63 895		Corporate calendar too congested and the activities of the of the strategic plan as a result were moved to a future date	Programme is in progress, will be continuing in 2013/14			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To approve the draft SDBIP to comply with legislation									
Draft 2013/14 SDBIP approved by Council	Approving draft 2012/13 SDBIP by Council by May 2012	Draft 2012/13 SDBIP approved. CC 49/2012 dated 29 May 2012	Approving draft 2013/14 SDBIP by Council by May 2013	Draft 2013/14 SDBIP approved. CC 64/2013 dated 07/06/2013						

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To approve the Annual Performance Report to comply with section 46 of the MSA						
2011/12 Annual Performance Report approved by Municipal Manager	Approving the 2010/11 Annual Performance Report by Municipal Manager by August 2011	2010/11 Annual Performance Report approved by MM on 30 Aug 2011 and submitted to AG on 31 August 2011	Approving the 2011/12 Annual Performance Report by Municipal Manager by August 2012	2011/12 Annual Performance Report approved by MM on 30 Aug 2012 and submitted to AG on 31 August 2012			
INDICATOR	MEASURABLE OBJECTIVE: To approve the Mid-Year Assessment Report to comply with section 72 of the MFMA						
2012/13 Mid-Year Assessment Report approved by the Municipal Manager and Council	Approving the 2011/12 Mid-Year Assessment Report by the Municipal Manager by 25 January 2012	2011/12 Mid-Year Assessment Report approved by the Municipal Manager on 25 January 2012 – CC 03/2012 dated 31 January 2012	Approving the 2012/13 Mid-Year Assessment Report by the Municipal Manager by 25 January 2013 and Council by 31 January 2012	2012/13 Mid-Year Assessment Report approved by the Municipal Manager (MM CC 38/2013 dated 25 January 2013) and Council (CC 8/2013 dated 29 January 2013)			
INDICATOR	MEASURABLE OBJECTIVE: To conduct quality assurance improvement programme to comply with legislative requirements						
Number of peer-to-peer quality assurance and improvement programmes performed	Performing 1 peer-to-peer quality assurance and improvement programme by March 2012	One assessment report performed	Performing a peer-to-peer quality assurance and improvement programme by March 2013	Not done		The Chief Audit Executive was appointed on 1 June 2013 and indicated that quality issuance be rather conducted after improving the issues of compliance with IIA standards	The Internal Audit charter has been revised to restore trust between Internal Audit and management and plans have been developed to improve the current situation

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES</b>										
INDICATOR	<b>MEASURABLE OBJECTIVE: To promote road safety</b>									
Number of K78 multi roadblocks	Conducting 12 K78 multi roadblocks with all law enforcement agencies in the KOSH area by June 2012	13 K78 multi roadblocks conducted	Conducting 12 K78 multi roadblocks with all law enforcement agencies in the KOSH area by June 2013	15 K78 Multi roadblocks conducted						
Number of traffic and road safety campaigns conducted at schools and crèches	Conducting 10 traffic and road safety campaigns at KOSH schools at a cost of R109 600 (Revised – CC 07/2012) by Jun 2012	34 School campaigns conducted	Conducting 30 traffic and road safety campaigns at schools and crèches in the KOSH area according to programme by June 2013	31 School campaigns conducted						
<b>DIRECTORATE: FINANCIAL SERVICES</b>										
INDICATOR	<b>MEASURABLE OBJECTIVE: To implement a Supply Chain Management policy to comply with legislation</b>									
Number of meetings of the Adjudication Committee conducted	Conducting at least 12 meetings of the Specifications Committee by June 2012	Nine meetings	Conducting at least 12 meetings of the Adjudication Committee by June 2013	21 meetings						
Number of SCM workshops for internal and external people conducted	Conducting eight SCM workshops for internal and external people by June 2012	One workshop conducted	Conducting eight SCM workshops for internal and external people by June 2013	One workshop conducted		Lack of capacity in SCM to conduct workshops. Workshops were also minimised to save costs	SCM provided for by appointment of two persons in March 2013. Nr of workshops to be provided will be revised and thereafter included in the corporate calendar to enhance planning			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To implement a Supply Chain Management policy to comply with legislation						
Supply Chain Management policy through quarterly reports implemented	New project	New project	Submitting four quarterly reports on the implementation of SCM policy to Council and making public by June 2013	Four SCM Reports			
Supply Chain Management policy through annual report implemented	New project	New project	Submitting 1 annual report on the implementation of SCM policy to council and make public by June 2013	1 SCM Annual Report			
DIRECTORATE: CORPORATE SERVICES							
INDICATOR	MEASURABLE OBJECTIVE: To approve the Workplace Skills Plan to comply with legislation						
Annual WSP / ATR submitted to LGSETA	Submitting 2012/13 WSP / ATR to LGSETA by June 2012	Electronic and manual WSP was submitted on 29 June 2012	Submitting 2012/13 WSP / ATR to LGSETA by June 2013	2013/2014 WSP and ATR was submitted on 30 June 2013			
Annual Employment Equity Report submitted to the Department of Labour	Submitting the 2010/11 Employment Equity Report to Department of Labour by September 2011	Employment Equity Report was submitted electronically	Submitting the 2011/12 Employment Equity Report to Department of Labour by September 2012	2011/12 EEP submitted on-line to the Department of Labour on 13 December 2012			
Number of employees trained in Employment Equity / non-discrimination	Conducting training for 45 employees on Employment Equity / non-discrimination by June 2012	45 employees trained and workshopped	Conducting training for 45 employees on Employment Equity by June 2013	45 employees trained and workshopped. R156 200			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To approve the Workplace Skills Plan to comply with legislation						
Number of EECF meetings conducted	Conducting 11 EECF meetings by June 2012	12 EECF meetings	Conducting 11 EECF meetings by June 2013	10 EECF meetings		EE Training was conducted during February 2013, therefore no meetings took place	Arrangements are in place to prevent future training from clashing with meetings
INDICATOR	MEASURABLE OBJECTIVE: To develop and enhance employee wellness						
Employee Wellness Programme developed	Implementing a Employee Wellness Programme at a cost of R300,000 R100 000 (CC 07/2012) by September 2011	None	Implementing a Employee Wellness Programme at a cost of R200,000 R150,000 R0 by September 2012 (CC25/2013 dated 28/02/2013) and (EM13/2013 dated 06/06/2013)	Employee wellness plan submitted internally			
INDICATOR	MEASURABLE OBJECTIVE: To conduct Mayoral Committee meetings to comply with legislation						
Number of Mayoral Committee meetings conducted	Conducting 11 Mayoral Committee and 6 Special Mayoral Committee meetings by June 2012	8 MayCo & 14 Special MayCo meetings	Conducting 44 7 Mayoral Committee and 44 7 Special Mayoral Committee meetings by June 2013 (CC81/2012 dated 04/09/2012)	7 MayCo & 18 Special MayCo meetings			

# Chapter 3

## KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

### DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To report on outstanding disclaimer and qualifications to ensure sound financial management						
Number of follow-up audits reported to review resolutions on outstanding disclaimer and qualifications in the Auditor General's report and Internal Auditor's findings	Reporting with four follow-up audits to review resolutions on outstanding disclaimer and qualifications in the Auditor General's report by June 2012	Two follow-up audit reports	Reporting with 2= 1 follow-up audit to review resolutions on outstanding disclaimer and qualifications on the Auditor General's report by June 2013	No follow-up audits reported		The audit of the action plan was integrated into the SCM; expenditure and revenue audit programme not performed due to capacity constraints	Operational plan has been adopted by PAC and AC, implementation and monitoring to follow. Obtained approval from Director 64 and from (mid) July 2013

### DIRECTORATE: MUNICIPAL AND ENVIRONMENTAL SERVICES

INDICATOR	MEASURABLE OBJECTIVE: To effectively do revenue collection to ensure sound financial matters						
R value income collected from driver's licences	Collecting R6 000 000 income from driver's licences by June 2012	R6 858 000	Collecting R8,482,344 R624 484 income from driver's licenses by June 2013. (CC8/2013 dated 29/01/2013)	R6 869 659			
R value income collected from vehicle registration and licensing / renewals	Collecting R55 499 573 income from vehicle registration and licensing / renewals by June 2012	R9 269 531 commission received	Collecting R 6 469 212 income from Vehicle Registration and Licensing / renewals which is 20% on all vehicle income, minus 14% VAT on commission by June 2013	R9 889 822			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To effectively do revenue collection to ensure sound financial matters						
R value income collected from motor vehicle testing	New indicator	New indicator	Collecting R1 250 792 income from Motor Vehicle Testing by June 2013	R925 103		The target is based on previous year's number of tests done and is dependent on vehicle sales	Projections on number of test will be done taking into consideration estimates from motor dealers
R value income collected from businesses, hawkers and stands	New indicator	New indicator	Collecting R225 975 income from businesses, hawkers and stands by June 2013	R145 916		Shortage of inspectors	Additional personnel will be requested
R value income collected from outstanding traffic fines	Collecting R9 097 700 of outstanding traffic fines (CC 07/2012) by June 2012	R6 557 462	Collecting <del>R11,593,072</del> R5 781 060 on traffic fines by June 2013 (CC25/2013 dated 28/02/2013)	R4,289,658		The contract with the service provider could not be honoured due to the low collection rate	Traffic Officers have been appointed to serve summonses
R value income collected from warrants of arrest	New indicator	New indicator	Collecting <del>R1,250,000</del> R1 280 000 on warrant of arrests by June 2013 (CC25/2013 dated 28/02/2013)	R1 147 305		Up to 27/03/2013 concentrated on serving of summonses due to the contract of TAC not having been honoured	A programme to conduct more roadblocks has been developed

# Chapter 3

DIRECTORATE: FINANCIAL SERVICES							
Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To approve the budget in order to comply with legislation						
2013/14 Budget Planning Process Timetable by Executive Mayor	Tabling the 2012/13 Budget Planning Process Timetable by 31 August 2011	2012/13 Budget Planning Process Timetable approved. CC 62/2011 dated 6 August 2011	Tabling the 2013/14 Budget Planning Process Timetable by 31 August 2012	2013/14 Budget Planning Process Timetable approved by MayCo Item 3 dated 20/08/2012		No Council meeting during August 2012.	Approved by Council CC 85/2012 dated 04/09/2012
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To reduce disclaimers to obtain a clean audit report						
% reduction of the number of disclaimers in the audit report for the financial year 2010/11 from 100% to 80% by June 2012	Reducing the number of disclaimers in the audit report for the financial year 2010/11 from 100% to 80% by June 2012	Process only started to address the number of exceptions in the 2012 audit report	Reducing the number of disclaimers in the audit report for the financial year 2010/11 from 100% to 80% by June 2013	Disclaimers decreased by 11%		Lack of skilled resources Legacy challenges due to amalgamation	Detailed action plan which includes training of Finance officials has been developed to address the disclaimers
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To improve the Supply Chain Management process						
Supply chain management process improved	New indicator	New indicator	Improving the supply chain management process by reducing the turnaround time from 6 months to 3 months by June 2013	Turnaround is above is 3 months		Lack of a process in managing tenders from closing of a tender to final appointment of a service provider	SCM process has been streamlined to ensure that turnaround time is monitored and improved
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To approve the budget in order to comply with legislation						
2013/14 draft budget approved	Approving the 2012/13 draft budget by March 2012	2012/13 draft budget approved. CC 24/2012 dated 31 March 2012	Approving the 2013/14 draft budget by March 2013	2013/14 draft budget approved. CC 40/2013 dated 28/03/2013			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To approve the budget in order to comply with legislation						
2013/14 budget related policies approved	Approving the final 2012/13 financially related policies and tariffs by 31 May 2012	2012/13 financial policies and tariffs approved. CC 45/2012 dated 29 May 2012	Approving the final 2013/14 budget-related policies and tariffs by 31 May 2013	2012/13 financial policies and tariffs approved. CC 66/2013 dated 14/6/2013		Financial policies and tariffs were before Council for approval, but they had to await NERSA approval of the electricity tariffs, which was only available during June 2013	A Special Council was scheduled for June 2013. Arrangements were made with NERSA to be considerate of MFMA timelines. However Council did comply with MFMA with regard to approval of the budget
INDICATOR	MEASURABLE OBJECTIVE: To approve the Adjustment Budget to comply with legislation						
2011/12 adjustment budget approved	Approving the 2011/12 adjustment budget by 28 February 2012	2011/12 adjustment budget approved. CC 7/2012 dated 31 January 2012	Approving the 2012/13 adjustment budget by 28 February 2013	2012/13 adjustment budget approved, CC25/2013 dated 28/02/2013			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To collect revenue for property rates to comply with legislation						
Percentage of budgeted revenue for property rates collected	60% of budgeted revenue for property rates collected by June 2013 (Implementation of the Municipal Property Rates Act, 6 of 2004	40,93%	60% of budgeted revenue for property rates collected by June 2013 (implementation of the Municipal Property Rates Act, 6 of 2004	88%			
INDICATOR	MEASURABLE OBJECTIVE: To promptly paid all creditors to indicate the payment of creditors						
All payments (creditors) made within 30 days	All payments (creditors) to be made within 30 days of receipt of invoice / statement by June 2012	R121 661 328	All payments (creditors) to be made within 30 days of receipt of invoice / statement by June 2013	30 days target not met		Due to serious cash flow constraints, it was not possible to make payments within a 30 day period	A debt collector is to assist with capacity challenges in debt collection. Tariffs revised for 2013/14 financial year to better reflect the cost of the services, and they were approved by Council
INDICATOR	MEASURABLE OBJECTIVE: To review the billing system for accuracy and completeness to comply with legislation						
Effective and accurate meter readings and tariffs implemented	New indicator	New indicator	Implementing effective and accurate meter readings and tariffs to increase the correctness of service accounts from 40% to 80% for the KOSH area by June 2013	Bulk users have been audited for correctness			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To compile a new valuation roll to comply with legislation						
New valuation roll (part 1) compiled	Compiling a new valuation roll (part 1) for the KOSH area at a cost of R8 000 000 by June 2012	None R0,00	Compiling a new valuation roll (part 1 – 50% completed) for the KOSH area at a cost of <del>R3,500,000</del> R2 500 000 by June 2013 (CC25/2013 dated 28/02/2013)	Service provider appointed, process is running according to timeframes. Project 80% completed. R1 304 627		Due to financial constraints, Council requested extension from the MEC (MAYCO 329/2012 dated 21/05/2012)	Implementation extended by MEC to July 2014.
INDICATOR	MEASURABLE OBJECTIVE: To implement a Rates By-Law to comply with legislation						
Rates by-law implemented	New indicator	New indicator	Implementing a Rates By-Law for the KOSH area by June 2013	Rates by-Law approved and published. CC 57/2012 dated 26/06/2012			
INDICATOR	MEASURABLE OBJECTIVE: To audit & license software to comply with legislation						
All software audited and licensed	Auditing and renewing of 625 software licences at a cost of R1 246 000 (Revised – CC 07/2012) by June 2012 – 14 Different system licences	Software audited and licensed R1 246 000	Auditing and renewing of 15 different software licenses at a cost of <del>R2,000,000</del> R2 400 000 by June 2013 (CC25/2013 dated 28/02/2013)	Software audited and licensed R1 518 908			

# Chapter 3

DIRECTORATE: MARCO CITY PLANNING AND DEVELOPMENT							
Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To collect income to ensure effective financial viability						
Total income and percentage collected from rentals	Total income of R784 208 collected (100%) from rentals by June 2012	R794 894 101,36%	Total income of R908 348 collected from rental estate by June 2013	R847 976 93%		Two vacant storerooms and two vacant offices. Daily Flora also still vacant for this period of time	New marketing strategies will be implemented.
Total income and % collected from ripening rooms	Total income of R380 000 collected (100%) from ripening and cooling rooms by June 2012	R720 680 189,65%	Total income of R671 926 collected from ripening and cooling rooms by June 2013	R994 838 117% (excl VAT) 133% (incl VAT)			
INDICATOR	MEASURABLE OBJECTIVE: To collect income to ensure effective financial viability						
Total income and percentage collected from market dues	Total income of R14 509 992 collected (100%) from market dues (CC 07/2012) by June 2012	R13 951 253 96.15%	Total income of <del>R14,001,591</del> R15 101 591 collected from market dues by June 2013. (CC25/2013 dated 28/02/2013)	R14 638 113 98% (excl VAT) 112% (incl VAT)		Increase on Market Dues during Adjustment budget. Finance agreed to adjust the Cooling and Ripening income	N/A
Total income collected from rental of carriage	Total income of R62 366 collected (100%) from rental transport by June 2012	R79 165 126,94%	Total income of R75 521 collected from rental of carriage by June 2013	R107 868 107% (excl VAT) 122% (incl VAT)			
Total income collected from agent selling transaction fees	New indicator	New indicator	Total income of R61 083 collected from agent selling transaction fees by June 2013	R79 630 130,36% (excl VAT) 148% (incl VAT)			

# Chapter 3

KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
DIRECTORATE: STRATEGIC PLANNING, MONITORING AND CONTROL							
Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To approve the draft IDP to comply with legislation						
Draft 2013/14 IDP approved by Council	Approval of draft 2012/13 IDP by Council by March 2012	Draft 2012/13 IDP approved. CC 24/2012 dated 31 March 2012	Approval of draft 2013/14 IDP by Council by March 2013	Draft 2013/14 IDP approved. CC 40/2013 dated 28/03/2013			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To table the IDP Process Plan to indicate key deadlines						
2013/14 IDP process plan tabled by the Executive Mayor	Tabling of 2012/13 IDP process plan by the Executive Mayor by August 2011	2012/13 IDP process plan tabled. CC 76/2011 dated 30 August 2011	Tabling of 2013/14 IDP process plan before Council by August 2012	2013/14 IDP process plan approved by MayCo. Item 3 dated 20/08/2012		No Council meeting during August 2012.	Approved by Council. CC 85/2012 dated 04/09/2012
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To enhance public participation to comply with legislation						
Number of Forum meetings conducted	Conducting three Rep. Forum meetings by June 2012	Three meetings	Conducting three Rep. Forum meetings by June 2013	Three meetings			
Number of community consultation rep. meetings conducted	Conducting three community consultation meetings by June 2012	Three meetings	Conducting three community consultation meetings by June 2013	Three meetings			
<b>INDICATOR</b>	<b>MEASURABLE OBJECTIVE:</b> To conduct Audit Committee Meetings to ensure good governance						
Number of Audit Committee meetings held to ensure the effective discharging of responsibilities	Holding four Audit Committee / PAC meetings to ensure an effective discharging of responsibilities by June 2012	5 Meetings	Holding four Performance Audit Committee meetings to ensure the effective discharging of responsibilities by June 2013	Four meetings			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To conduct Performance Audit Committee Meetings to ensure good governance						
Holding four Performance Audit Committee meetings to ensure an effective discharging of responsibilities by June 2013	New indicator	New indicator	Holding four Performance Audit Committee meetings to ensure the effective discharging of responsibilities by June 2013	Four meetings			
INDICATOR	MEASURABLE OBJECTIVE: To issue Performance Information Audit Reports to ensure compliance with legislation						
Number of performance information audit reports issued to assess the efficiency and effectiveness of performance achieved by Council by June 2012	Issuing four Performance information audit reports to assess the efficiency and effectiveness of performance achieved by Council by June 2012	Four reports	Issuing four performance information audit reports to assess the efficiency and effectiveness of performance achieved by Council by June 2013	Four reports			
INDICATOR	MEASURABLE OBJECTIVE: To issue activity reports to ensure good governance						
Number of activity reports issued to the Audit Committee and Accounting Officer on the progress with the roll-out of the audit plans	Issuing four activity reports to the Audit Committee and Accounting Officer on the progress of rolling out the audit plans by June 2012	Five reports	Issuing four activity reports to the Audit Committee and Accounting Officer on the progress with the rollout of the audit plans by June 2013	Four Reports			
INDICATOR	MEASURABLE OBJECTIVE: To adopt the Internal Audit Charter to comply with legislation						
Reviewed IA Charter adopted in accordance with IIA standards	Adopting the reviewed IA Charter in accordance with IIA standards by June 2011	Approved IA Charter	Adopting the reviewed IA Charter (2013/14) in accordance with IIA standards by June 2013	Approved by Audit Committee			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To continue with Professional Development to enhance knowledge, skills and other competencies of Internal Audit staff						
2013/14 Continuous Development Programme for approval by Director Strategic Planning, Monitoring and Control	New indicator	New indicator	Developing the 2013/14 Continuous Development Programme for approval by Director Strategic Planning, Monitoring and Control by June 2013	Draft 2013/14 Continuous Development Programme approved by Director SPMC, awaiting MM approval		Item was prepared and submitted to Corporate Services and to Financial Services for comments	Obtain approval from director by end of July 2013
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To submit a Risk management report to the Risk Management committee and Audit committee to ensure good governance						
Risk management report submitted to the Risk Management Committee and the Audit Committee	One report on the 2011/12 risk register to the Audit Committee and Risk Management Committee on emerging risks and the effectiveness of risk management by December 2011	One report	Submitting two risk management reports to ensure an effective responsibility by June 2013	None		New section established. No Risk Management Committee chairperson appointed yet	Submitted item to MM to appoint Risk Management Committee chairperson
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> Risk Assessment workshop facilitated on emerging risks						
Risk assessment workshop on emerging risks facilitated	Facilitating the 2011/12 and 2012/13 risk assessment workshops on emerging risks by June 2012	2011/12 risk assessment workshops facilitated	Facilitating two risk assessment workshops with Council departments on emerging risks by June 2013	Two risk assessment workshops facilitated			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To submit a Risk Based Audit Plan to ensure good governance and to comply with legislation						
Three-year Risk-Based Audit Plan 2012/13 submitted to the Audit Committee for approval by June 2012	Submitting a Three-Year Risk-Based Audit Plan 2012/13 to the Audit Committee for approval by June 2012	None	Submitting a Three-Year Risk-Based Audit Plan 2013/14 to the Audit Committee for approval by June 2013	Three-Year and One-Year Risk-Based Audit Plan approved by the Audit Committee			
INDICATOR	MEASURABLE OBJECTIVE: To revise the Risk Register to determine the linkage between departmental objectives and risk						
Risk register revised and approved to determine the linkage between departmental objectives and risk	New indicator	New indicator	Revising and approving the risk register to determine the linkage between departmental objectives and risk by June 2013	Risk register presented to and approved by Audit Committee			
INDICATOR	MEASURABLE OBJECTIVE: To development of a Risk Management policy and strategy document for council						
Risk management policy and strategy document developed and approved	New indicator	New indicator	Developing and approving a risk management policy and strategy document for council by June 2013	Risk management policy and strategy presented at policy workshop		Awaiting Council meeting scheduled for 30 July 2013	N/A

# Chapter 3

DIRECTORATE: FINANCE							
Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To plan an ICT integrated network infrastructure to provide remote access and services						
ICT integrated network infrastructure implemented	New indicator	New indicator	Approving an ICT integrated network infrastructure plan for the KOSH area and implementing phase 1 for the Finance Directorate at an amount of R3 000 000 by June 2013	None R0		Due to a low collection rate, cost-cutting measures were implemented whenever possible and this implementation was postponed to the next financial year	The deployment will be budgeted for in the 2013/2014 financial year
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To implement an IT policy to regulate IT hardware and software activities						
E-Mail Policy drafted and implemented	New indicator	New indicator	Drafting and implementing an E-Mail Policy to regulate council's IT hard-and software activities by June 2013	E-Mail Policy approved and implemented. CC1/B 116/2012 dated 29/11/2012			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To revise IT policies to keep up with new IT developments						
User Account Policy drafted and implemented	New indicator	New indicator	Drafting and implementing a User Account Policy to manage council's IT user accounts by June 2013	User Account Policy approved and implemented. CC1/B 116/2012 dated 29/11/2012			
Security Policy revised	New indicator	New indicator	Revising of the Security Policy by March 2013	Security Policy approved. CC1/B 116/2012 dated 29/11/2012			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To revise IT Policies to keep-up with new IT developments						
Internet Policy revised	New indicator	New indicator	Revising of the Internet Policy by March 2013	Internet Policy approved. CC1/B 116/2012 dated 29/11/2012			
IT / Website Policy revised	New indicator	New indicator	Revising of the Website Policy by March 2013	Website Policy approved and implemented. CC1/B 116/2012 dated 29/11/2012			
Access to Information Policy revised	New indicator	New indicator	Revising of the Access to Information Policy by March 2013	Access to Information Policy approved and implemented. CC1/B 116/2012 dated 29/11/2012			

# Chapter 3

DIRECTORATE: CORPORATE SERVICES							
Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To hold section 79 & 80 committees meetings held to ensure better council performance						
Number of Section.79 committee meetings (Portfolio Committee meetings) conducted	Conducting 121 (11 Section 79 ) committee meetings (Portfolio Committee Meetings) by June 2012	104 meetings	Conducting 110 ( 10 sec.79 ) committees meetings (Port folio Meetings) by June 2013 (CC81/2012 dated 04/09/2012)	70 Portfolio Committee and 10 Special Meetings			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To establish an Engagement of Attorneys Policy to regulate the allocation of cases and opinion to attorneys						
Engagement of Attorneys Policy established	Establishing an Engagement of Attorneys Policy for Council by December 2011	None	Establishing an Engagement of Attorneys Policy for Council by December 2012	Engagement of Attorneys Policy approved. CC116/2012 dated 29/11/2012			
INDICATOR	<b>MEASURABLE OBJECTIVE:</b> To establish a contract management procedure for Council to enhance monitoring						
Contract management report drafted	Drafting a contract management report to centralise all Council agreements for management and monitoring by June 2012	None	Implementing a contract management system to centralise all Council agreements for management and monitoring by December 2012	Contract Management Procedure Manual has been signed by the MM on 12/12/2012			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To revise the land alienation policy to comply with legislation						
Land Alienation Policy revised	Revising the Land Alienation Policy to expedite the disposal and transfer of Council land by March 2012	None	Revising the Land Alienation Policy to expedite the disposal and transfer of Council land by June 2013	Workshop conducted on 03/06/2013		Policy workshops were conducted and a total of 27 policies were workshopped and approved. Due to time constraints, some policies were not dealt with by Council and were referred to future workshops	A follow-up workshop to deal with outstanding policies has been arranged for September 2013
Lease of Council land policy drafted	Drafting a Lease of Council land policy to regulate market related rental value by March 2012	None	Drafting a Lease of Council Land Policy to regulate market related rental value by March 2013 June 2013	Workshop conducted on 03/06/2013			
INDICATOR	MEASURABLE OBJECTIVE: To identify and recover non-paid and non-developed Council-sold stands to address the shortage of land for Council						
Non-paid and non-developed Council-sold stands older than 10 years identified and recovered	New indicator	New indicator	Identifying and recovering non-paid and non-developed Council-sold stands older than 10 years by June 2013	Report was submitted to Council during May 2013. Verification process still ongoing.		Verification process took longer because most of the contracts do not exist in the document register	Verification process to be completed end of August 2013. Letters to be written by end of September 2013.
INDICATOR	MEASURABLE OBJECTIVE: To conduct OHS inspections to ensure legal compliance						
Number of OHS inspections in Council departments conducted	Conducting 12 OHS inspections in Council departments by June 2012	117 inspections conducted	Conducting 120 OHS inspections in Council departments by June 2013	131 OHS inspections conducted			
INDICATOR	MEASURABLE OBJECTIVE: To conduct OHS audits to ensure that all deviations be corrected in terms of the Act						
Number of OHS audits conducted	Conducting two OHS audits by June 2012	Two OHS audits conducted	Conducting two OHS Audits by June 2013	Two OHS Audits conducted			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To ensure effective Council administration and compliance with legislation						
Number of ordinary council meetings conducted	Conducting 12 ordinary council and six special council meetings by June 2012	10 ordinary and nine special meetings	Conducting seven Council meetings by June 2013 (CC 81/2012 dated 04/09/2012)	Seven ordinary and 12 special meetings, and four policy workshops			
INDICATOR	MEASURABLE OBJECTIVE: To co-ordinate and conduct gender workshop to support women business and entrepreneurial development						
Number of women cooperatives empowered	New indicator	New indicator	Empowering 20 women cooperatives in the KOSH area at a cost of <del>R350,000</del> <del>R200,000</del> R149 500 by June 2013 (CC25/2013 dated 28/02/2013) (MM133/2013)	None R45 100		Due to a low collection rate savings were implemented whenever possible and the implementation thereof postponed to the next FY	Funds provided in the 2013/2014 financial year.
INDICATOR	MEASURABLE OBJECTIVE: To host a Mandela Day event to do goodwill to each other						
Mandela Day event hosted	New indicator	New indicator	Hosting 1 Mandela Day event in honouring of Dr. Mandela at a cost of <del>R350,000</del> <del>R300,000</del> R50 000 by July 2012 (CC25/2013 dated 28/02/2013) (CC65/2013)	Mandela Day event hosted. R45 058			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To establish youth programmes to support youth business and entrepreneurial development						
Number of youth programmes established	New indicator	New indicator	Establishing 30 youth programmes in Khuma (6 programmes), Kanana (6 programmes), Tigane (6 programmes), Jouberton (6 programmes) and Alabama (6 programmes) at a cost of R400,000 R350,000 R277 500 by June 2013. (CC25/2013 dated 28/02/2013) (CC 52/2013)	None R25 000		During the implementation stage there were protest marches, resistance and unrest in the community due to illegal occupation of land. Owing to a low collection rate the implementation of this programme was moved to the 2013/14 financial year	Funding provided for implementation in the 2013/2014 financial year
INDICATOR	MEASURABLE OBJECTIVE: To award bursaries and awards to students in KOSH area to assist with education						
Number of financially needed students in the KOSH area awarded	New indicator	New indicator	Awarding financially needy students in the KOSH area to further their studies at a cost of R1 505 000 by June 2013	Awards approved. R1 187 500 CC 57/2013			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To motivate ward committees for quality performance						
Ward Committee Performance Awards facilitated	Conducting annual Ward Committee Performance Awards by evaluating all wards at a cost of R221 547 by November 2011	None	Conducting Annual Performance Awards for Ward Committee by evaluating all wards at a cost of R221,547 R121 547 by June 2013 (CC25/2013 dated 28/02/2013)	None R0		Due to a low collection rate the implementation of this programme was moved to the 2013/14 financial year	The awards are scheduled to be made during October 2013
INDICATOR	MEASURABLE OBJECTIVE: To promote socio-economic well being of councillors and ward committees						
Councillor and ward committees support programmes implemented	New indicator	New indicator	Implementing the councillor and ward committees support programmes at a cost of R500,000 R400 000 by June 2013 (CC25/2013 dated 28/02/2013)	Support programme for Councillors and Ward Committees is in progress. R0		Due to a low collection rate the implementation of this programme was moved to the 2013/2014 financial year	Formal and accredited training scheduled for Sept/Oct 2013
INDICATOR	MEASURABLE OBJECTIVE: To conducted Moral Re-generations workshops as per National legislation						
Number of moral regeneration workshops in KOSH area conducted	Conducting four moral regeneration workshops and two public holiday commemorations in the KOSH area at a cost of R500 000 by Jun 2012	Four events R176 085	Conducting 4-6 moral re-generation workshops in KOSH at a cost of R250,000 R150 000 by June 2013	Five events R49 750		Due to a low collection rate the implementation of this programme was moved to the 2013/2014 financial year	Funding provided for the 2013/2014 financial year

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance			
	Target	Actual Performance	Target	Actual Performance						
<b>DIRECTORATE: MARCO CITY PLANNING AND DEVELOPMENT</b>										
<b>INDICATOR</b>		<b>MEASURABLE OBJECTIVE: To revise Communication Policies to create internal and external awareness on corporate communication</b>								
Access to Information Policy revised	Policy developed, but not implemented	Access to Information Policy revised and approved	Revising of the Access to Information Policy by March 2013	Not yet. Workshop held on 12 June 2013		Policy needs to be translated into two languages: Afrikaans and Setswana	To be approved by Council during July 2013			
Media Relations Policy approved	Revising of the Media Relations Policy by March 2012	None	Approving the Media Relations Policy by December 2012	Not yet. Workshop held on 12 June 2013. Not approved		Due to a low collection rate, cost-cutting measures were implemented whenever possible and the implementation hereof was postponed to the next financial year. Workshop held on 12 June 2013	To be approved by Council during 2013/2014 financial year. Corporate to supply date of meeting			
Events Management Policy approved	Developing of the Events Management Policy by June 2012	None	Approving of the Events Management Policy by December 2012	Not yet. Workshop held on 12 June 2013 Not approved.		Policy was work shopped, but referred back. Waiting for strategic workshop	Events management policy discussed at strategic workshop meeting held on 23 July 2013			

# Chapter 3

Operational	Previous Financial Year 2011/12		Financial Year Under Review 2012/13		Rating	Reason for Deviation	Measures Taken To Improve Performance
	Target	Actual Performance	Target	Actual Performance			
INDICATOR	MEASURABLE OBJECTIVE: To revise Communication Policies to create internal and external awareness on corporate communication						
Crises Communication Policy revised	Revising the Crises Communication Policy by March 2012	None	Revising the Crises Communication Policy by December 2012	Policy revision completed, but not approved		Policy completed, awaiting corporate to come with dates of workshop	Request for date of workshop from Corporate Service Directorate
City Branding Policy revised	Revising the City Branding Policy by March 2012	None	Revising the City Branding Policy by December 2012	Not yet. Workshop held on 12 June 2013		Policy was workshopped, but referred back	To be approved by Council during July 2013
INDICATOR	MEASURABLE OBJECTIVE: To distribute internal & external newsletters to ensure transparency with Council affairs						
Number of internal communiqués compiled and distributed to all employees of Council	Compiling and distributing six internal communiqués to all employees of Council by June 2012	One communiqué	Compiling and distributing four internal communiqués to all employees of Council by June 2013	Two communiqués		Council advice to slow down on expenditure	To publish electronic newsletter. E-mailed August 2013 to all@klerksdorp.org
Number of external publications regarding Council affairs compiled and distributed to the community	Compiling and distributing 12 external publications regarding Council affairs to the community by June 2012	Six external publications	Compiling and distributing four external publications regarding Council affairs to the community by June 2013	Ten external publications			
INDICATOR	MEASURABLE OBJECTIVE: To draft a communication strategy to comply with legislation						
Communication strategy drafted	New indicator	New indicator	Drafting a Communication Strategy by August 2012	Communication Strategy drafted			

# Chapter 3

## REPORT OF THE PERFORMANCE AUDIT COMMITTEE

### REPORT OF THE PERFORMANCE AUDIT COMMITTEE OF MATLOSANA LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2013

#### 1. Introduction

The Performance Audit Committee ("the Committee") is pleased to present its report for the financial year ended 30 June 2012.

#### 2. Committee Composition

The Committee is established in accordance with the prescripts of the MFMA No 56 of 2003, section 166 and section 14 (2) of the Local Government: Municipal Planning and Performance Management Regulations, 2001. The Committee comprised of 4 independent members at 30 June 2012, who were not in the employ of the municipality. In addition, no members are political office bearers.

#### 3. Number of meetings held during the financial year

The table below indicate the numbers of meetings held by the committee for the financial year review and attendance by members. It will be noted that Mr P Chwene failed to attend most meetings and a recommendation was made to Council to terminate his membership and appoint a substitute.

DATE OF MEETINGS	I MOTALA	N MOLAPO	N MAAPE	P CHWENE
13/07/12	Y	Y	Y	N
28/08/12	Y	Y	Y	N
01/11/12	Y	Y	Y	N
26/11/12	Y	Y	Y	N
01/02/13	Y	N	Y	N
18/04/13	Y	Y	Y	N
05/06/13	Y	N	Y	N
20/06/13	Y	Y	Y	N
<b>Total attended</b>	<b>8</b>	<b>6</b>	<b>8</b>	<b>0</b>

#### 4. Roles and Responsibilities

One of the main responsibilities of the committee is to ensure that the municipality promotes the effective, efficient and economic use of resources consistent with section 195 of the Constitution. In this regard the Committee conducted its affairs in accordance with its mandate as set out in legislation and executed its responsibilities in terms of its statutory duties and the requirements of King III.

# Chapter 3

Furthermore, the committee is tasked with the review of the Annual Performance Report.

## 5. Internal Audit

The Internal Audit Activity (“the IAA”) under the direction of the Assistant Director, Internal Audit continues to provide assurance to the Committee on the internal controls within the Municipality. During the period under review numerous assignments were undertaken, the results of which were presented to the Committee. In the 2011/12 financial year the Committee noted that the implementation on corrective action on internal control weaknesses identified was partially effective. The Committee notes with regard that there has not been any marked improvement in this regard.

In the year to follow, the Committee will continue to monitor progress on implementation to ensure that internal controls are effectively and efficiently monitored and reviewed and recommendations of IA and the Committee are implemented. Once again the Committee notes that the recommendations of IA and the Committee were not fully implemented. The cause of this in the opinion of the Committee is the lack of a structured and institutional manner in which these recommendations are processed. In addition there are no consequences for managers not implementing these recommendations.

Internal Audit is seriously under capacitated but the Committee notes with gratitude that a concerted effort is being made by the Municipality to address this matter. In particular the Committee notes with appreciation the appointment of Mr M Seero as CAE.

## 6. Performance Management

Performance Management at the Municipality remains ineffective due to the lack of buy-in on the reporting procedures by divisional managers. In the year under review the Committee was unable to effectively perform its mandate partly due to non or late submission of information by certain directorates. This resulted in the consolidated reports being submitted long after the end of a particular quarter and in all cases not being subjected to a process of internal audit prior to submission to the Committee and Council. This resulted in Council approving reports whose authenticity had not been confirmed through the auditing process.

Management comments on issues raised by Internal Audit are in most cases lacking and where provided, lack content and an indication of a serious intention to address the deficiencies. Portfolio of evidence in many instances was not provided.

One of weaknesses in the municipality’s performance management system remains the failure by management to hold quarterly performance review sessions. These sessions may be used to improve performance and to force managers to compile portfolio of evidence.

# Chapter 3

Lack of commitment by managers in implementing the recommendations of Internal Audit poses a serious challenge and will not result in the intended purpose of these recommendations, namely to improve the performance management in the Municipality.

## 7. Review of the Annual Performance Report for the year ended 30 June 2013

The Committee has considered the Annual Performance Report for the year ended 30 June 2013 and reviewed it for material compliance with regulation, and the appropriate accounting policies, standards and practices, prior to submission to the Auditor General of South Africa (AGSA) to perform the regulatory audit. Recommendations have been made on certain amendments to be effected prior to submission.

## 8. Conclusion

The Committee recommends the submission of the unaudited Annual Performance Report to the AGSA.



MI Motala

Chairperson: Performance Audit Committee  
Matlosana Local Municipality

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# Chapter 4



# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

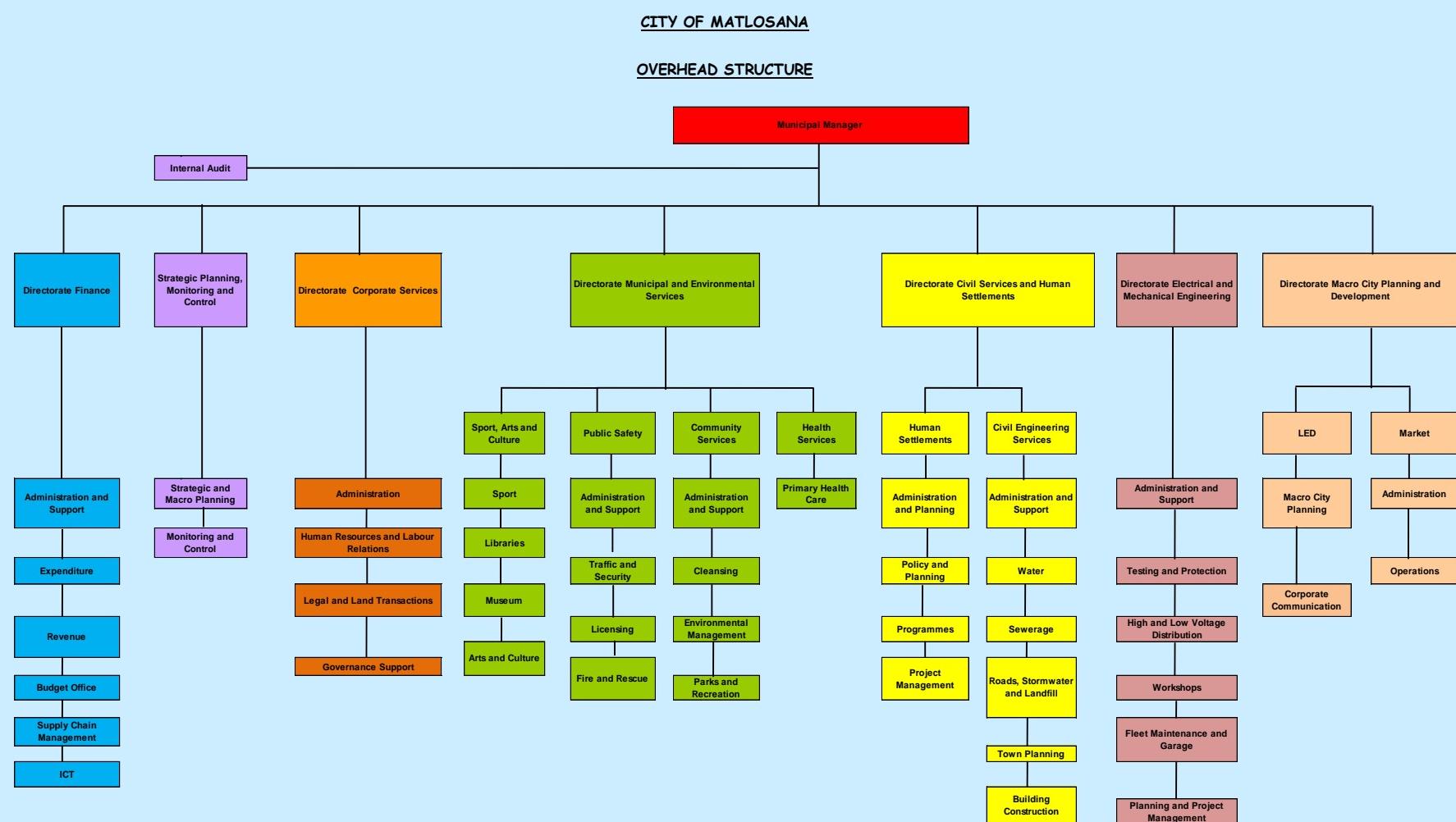
### INTRODUCTION

The Municipality consists of seven directorates, namely Electrical and Mechanical Engineering, Municipal and Environmental Services, Macro City Planning and Development, Corporate Services, Financial Services, Civil Services and Human Settlements, and Strategic Planning, Monitoring and Control.

The City of Matlosana has an approved complement of 2 401 posts of which 2 206 were filled.

The Municipality's top structure is as follows:

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# Chapter 4

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES OF THE CITY OF MATLOSANA					
Description	2011/12	2012/13			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water Services	116	125	115	10	8%
Waste Water (Sanitation) Services	175	170	164	6	4%
Electrical and Mechanical Services	135	151	130	21	14%
Solid Waste Management Services	385	410	375	35	9%
Human Settlements	16	20	18	2	10%
Roads and Storm-Water Drainage	186	189	181	8	4%
Licensing Services	61	62	58	4	6%
Planning (Town-Planning, Building Survey, Building Construction and PMU)	49	57	49	8	14%
Local Economic Development	17	19	18	1	5%
Fresh Produce Market	42	44	39	5	11%
Libraries and Museum	79	87	80	7	8%
Cemeteries	65	63	61	2	3%
Parks, Open Spaces, Faan Meintjes, Orkney Vaal and Aerodrome	211	218	206	12	6%
Health Services	27	16	13	3	19%
Traffic, Security, Fire and Disaster Management	251	253	251	2	1%
Sport and Recreation	102	113	101	12	11%
Strategic and Regulatory (PMS, IDP, IA, MPAC and Risk Management)	11	16	16	0	0%
Corporate Policy Offices and Other	325	388	331	57	15%
<b>Totals</b>	<b>2 253</b>	<b>2 401</b>	<b>2 206</b>	<b>195</b>	<b>8%</b>

TURN-OVER RATE			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate
2010/11	336	159	7.55%
2011/12	50	87	3.79%
2012/13	54	106	4.70%

# Chapter 4

VACANCY RATE: 2012/13			
Designations	Total Approved Posts No.	Vacancies (Total time that vacancies exist using fulltime equivalents) No.	Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	6	1	17%
Other S57 Managers (Finance Posts)	1	0	0%
Safety and Security	253	2	1%
Fire Fighters	39	0	0%
Senior Management: Levels 1 - 3 (excluding Finance Posts)	36	4	11%
Senior Management: Levels 1 - 3 (Finance posts)	7	1	14%
Highly Skilled Supervision: Levels 4 - 6 (excluding Finance Posts)	111	11	10%
Highly Skilled Supervision: Levels 4 - 6 (Finance Posts)	22	7	32%
<b>Total</b>	<b>477</b>	<b>26</b>	<b>5.45</b>



## COMMENTS ON VACANCIES AND TURNOVER

The total vacancy rate for the financial year under review totalled 195 or 8%, 20% less than in 2011/12. Critical positions are filled from time to time from external and internal sources. The total number of vacancies remains a challenge but will be addressed during the 2013/2014 financial year.

The status of the section 57 managers is as follows:

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Designation	Status
Municipal Manager	Filled
Director Finance (Chief Financial Officer)	Filled
Director: Corporate Services	Filled
Director: Municipal and Environmental Services	In process
Director: Civil Services and Human Settlements	Filled
Director: Macro City Planning and Development	Filled
Director: Electrical and Mechanical Engineering	Filled
Director: Strategic Planning, Monitoring and Control	Filled

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The current workforce is 2 294 employees.

The Municipality has since developed a number of policies that are currently being workshopped among Councillors so that it may be adopted. The process is nearing completion.

### 4.2 POLICIES

HR POLICIES AND PLANS				
	Name of Policy	% Completed	% Reviewed	Date adopted by council or comment on failure to adopt
1	Affirmative Action/Employment Equity	50%		Workshopped, still to go to LLF
2	Attraction and Retention	100%	100%	4 September 2012
3	Code of Conduct for Employees			Still to be workshopped
4	Delegations, Authorisation and Responsibility	100%	100%	5 February 2009
5	Disciplinary Code and Procedures	100%	100%	4 September 2012
6	Essential Services			
7	Employee Assistance / Wellness			
8	Employment Equity	50%		Workshopped, still to go to LLF
9	Exit Management			
10	Grievance Procedures	100%	100%	29 November 2012
11	HIV/Aids	100%	100%	4 September 2012
12	Human Resource and Development			

# Chapter 4

13	Information Technology			
14	Job Evaluation			
15	Leave	100%	100%	29 November 2012
16	Occupational Health and Safety	100%	100%	4 September 2012
17	Official Housing			
18	Official Journeys / Travel and Subsistence Allowance	100%	100%	29 November 2012
19	Official transport to attend Funerals	100%	100%	4 September 2012
20	Official Working Hours and Overtime			
21	Organisational Rights			Still to be workshopped
22	Payroll Deductions			
23	Performance Management and Development			
24	Recruitment, Selection and Appointments	50%		Workshopped, still to go to LLF
25	Remuneration Scales and Allowances			
26	Resettlement			
27	Sexual Harassment	100%	100%	4 September 2012
28	Skills Development / Training and Development			Workshopped still to go to LLF
29	Smoking	100%	100%	4 September 2012
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	50%		Workshopped, still to go to LLF
33	Other: Telephone	100%	100%	4 September 2012
	Retirement Planning	100%	100%	4 September 2012
	Records Management	100%	100%	4 September 2012
	Legal Services	100%	100%	29 November 2012
	National Fresh Produce Market	100%	100%	29 November 2012
	Billboards	100%	100%	29 November 2012
	Internet	100%	100%	29 November 2012
	Servers Security	100%	100%	29 November 2012
	Workstation Security	100%	100%	29 November 2012
	E-mail Use	100%	100%	29 November 2012

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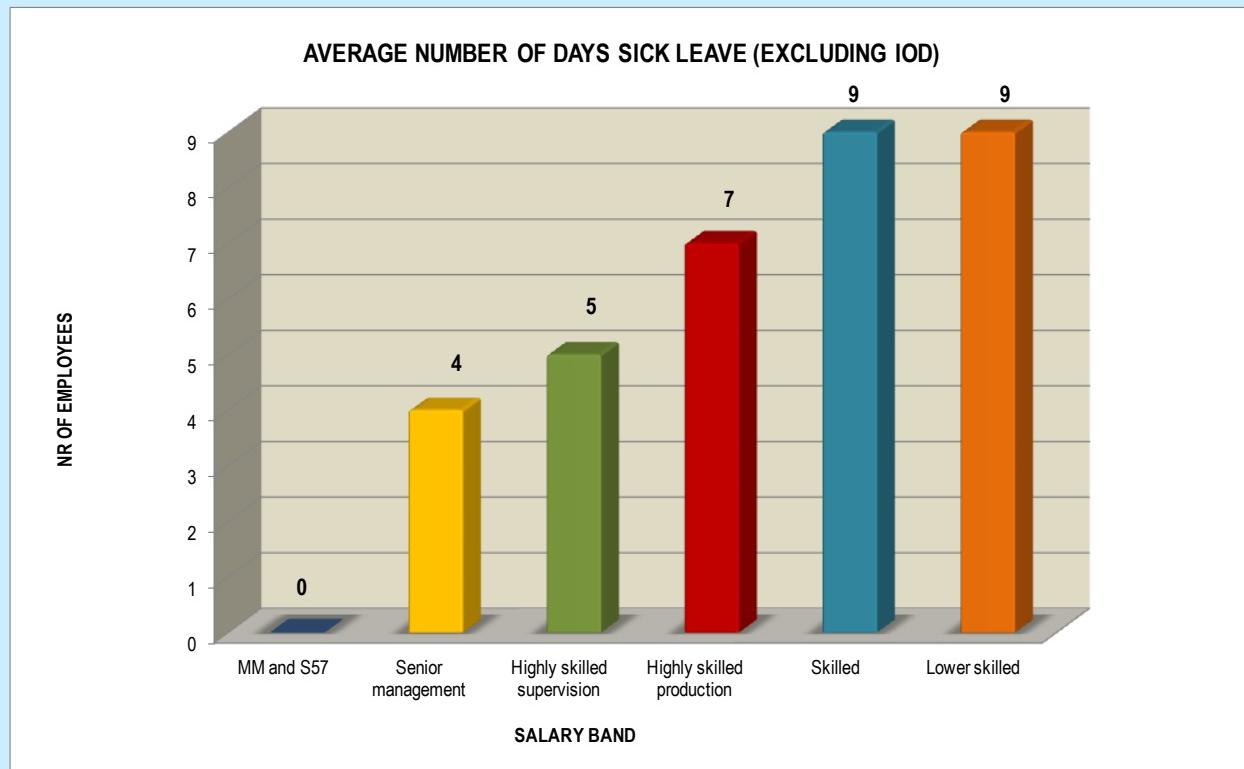
## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF DAYS AND COST OF INJURIES ON DUTY				
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion of employees using sick leave %	Average injury leave per employee Days
Required basic medical attention only	10	5	50%	2
Temporary total disablement	146	5	3%	29
Permanent disablement	0	0	0%	0
Fatal	0	0	0%	0
<b>Total</b>	<b>156</b>	<b>10</b>	<b>6%</b>	<b>31</b>

NUMBER OF DAYS OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)								
JOB LEVEL	SALARY BAND	TOTAL NUMBER OF SICK LEAVE DAYS PER POST LEVEL	PORTION OF SICK LEAVE WITHOUT MEDICAL CERTIFICATION	NUMBER OF NO SICK NOTES RECEIVED	NUMBER OF EMPLOYEES USING SICK LEAVE	TOTAL EMPLOYEES IN POST	AVERAGE DAYS SICK LEAVE PER EMPLOYEE	ESTIMATED COST
		DAYS	%	DAYS	NO	NO	DAYS	R' 000
S 54/56 Managers		3	33.33	1	2	7	0	10
2	Senior management	37	18.92	7	6	11	3	36
3		110	7.27	8	13	27	4	98
4		30	20.00	6	5	12	3	25
5	Highly skilled supervision	231	10.39	24	29	45	5	178
6		460	10.00	46	50	58	8	321
7		282	10.99	31	31	50	6	178
8	Highly skilled production	524	11.64	61	54	72	7	292
9		880	6.25	55	80	106	8	434

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10	Skilled	1 084	8.95	97	93	109	10	439
11		1 326	15.01	199	115	123	11	447
12		753	9.56	72	70	126	6	229
13		801	9.24	74	71	87	9	223
14		673	12.33	83	59	62	11	170
15		919	10.77	99	72	133	7	204
16		493	4.67	23	46	83	6	103
17	Lower skilled	1 111	9.36	104	75	141	8	221
18		263	11.03	29	21	21	13	52
19		7 213	4.98	359	427	933	8	1,428
<b>TOTAL</b>		<b>17 193</b>	<b>8.01</b>	<b>1 378</b>	<b>1 319</b>	<b>2 206</b>	<b>7</b>	<b>R5 088</b>



# Chapter 4

NUMBER AND PERIOD OF SUSPENSIONS				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Deputy Director	Financial mismanagement	November 2012	Matter at review level	
Admin Assistant	Insubordination	April 2013	Matter still on	No date
Electrician	Theft of council property	September 2012	Case finalised, accused dismissed	22 May 2013
General Workman	Theft of council property	September 2012	Case finalised, accused dismissed	22 May 2013
Handyman	Theft of council property	September 2012	Case finalised, accused dismissed	22 May 2013
Senior Plumber	Theft of council property	September 2012	Case still pending	
Handyman	Theft of council property	September 2012	Case still pending	

## DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

No official has been subjected to disciplinary action relating to financial misconduct.

## 4.4 PERFORMANCE REWARDS

### PERFORMANCE REWARDS BY GENDER

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after –

- (1) *the annual report for the financial year under review has been tabled and adopted by the municipal council;*
- (2) *an evaluation of performance in accordance with the provisions of regulation 23; and*
- (3) *approval of such evaluation by the municipal council as a reward for outstanding performance.*

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

No performance bonus was awarded to Section 57 managers due to the disclaimer by the Auditor General and quarterly assessments not being performed.

# Chapter 4

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Currently in compliance to the above statement the City of Matlosana has a Training and Development Policy that is approved to ensure that all employees are capacitated / empowered with the necessary information on training and development, which then provides all incumbents access to relevant, prioritised training interventions that are needs-driven and are aligned to business objectives by optimally developing the potential of employee.

Furthermore, the Municipality in compliance with the MSA and MFMA has also approved the Supply Chain Management Policy which outlines all procedures to be followed in implementing the Human Resource capacity to a level that enables them to perform their functions and exercises their power in an economical, effective, efficient and accountable way.

The way ahead is one of improvements to be made to ensure all training needs that are aligned with meeting the operational objectives of the Municipality as a whole follow a blanket approach in addressing the skills gaps identified to ensure all employees are competent to perform their functions and are able to exercise their powers in an economical, effective, efficient and accountable way.

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## 4.5 SKILLS DEVELOPMENT AND TRAINING

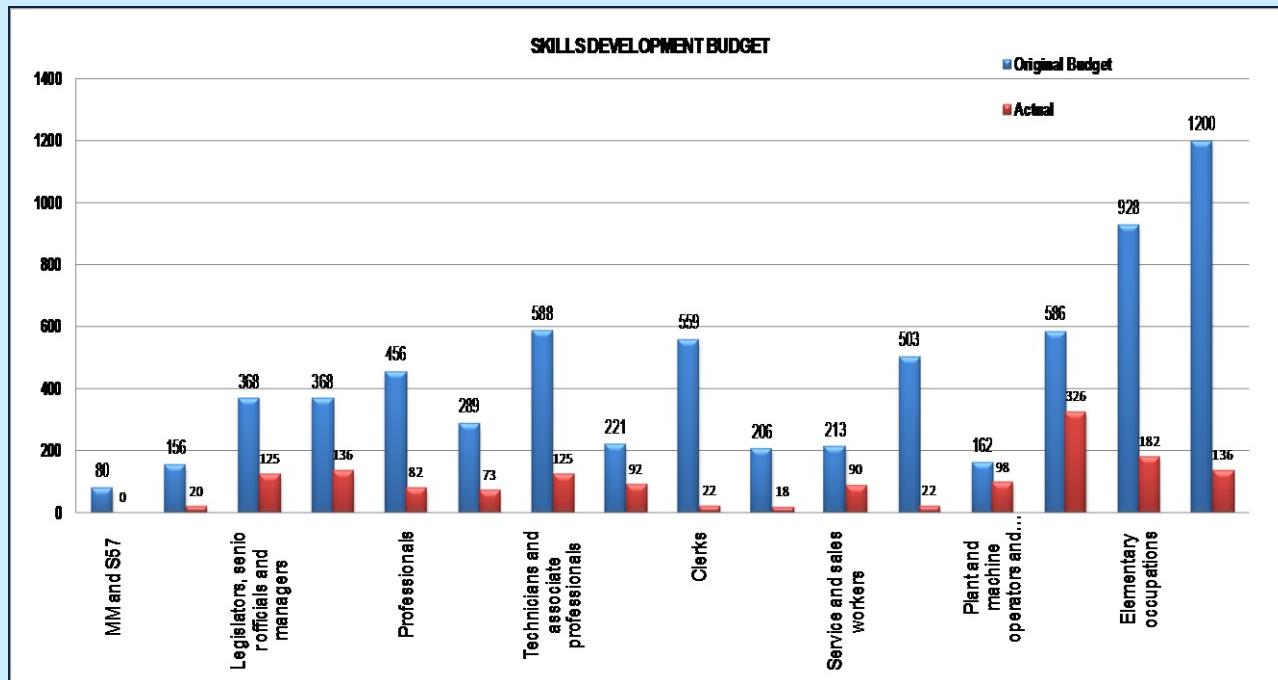
SKILLS MATRIX														
Management level	Gender	No. of Employees in post as at 30 June Year 2013	Number of skilled employees required and actual as at 30 June 2013											
			Learnership			Skills programmes & other short courses			Other forms of training			Total		
			Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target
MM and S57	Female	1	0	0	0	1	4	8	0	0	2	1	4	10
	Male	6	0	0	0	0	4	8	0	0	2	0	4	10
Councillors, senior officials and managers	Female	86	0	0	0	0	2	6	2	0	4	2	2	10
	Male	142	0	0	0	1	2	6	0	0	4	1	2	10
Technicians and associate professionals*	Female	186	0	0	5	1	6	15	3	0	6	4	6	26
	Male	68	0	0	5	0	6	15	8	0	6	6	6	26
Professionals	Female	194	6	0	5	3	10	24	0	0	10	9	10	39
	Male	163	2	0	5	10	10	24	0	0	10	12	10	39
Subtotal	Female	467	6	0	10	5	22	53	5	0	22	16	22	85
	Male	379	2	0	10	11	22	53	8	0	22	19	22	85
<b>Total</b>		<b>846</b>	<b>8</b>	<b>0</b>	<b>20</b>	<b>16</b>	<b>44</b>	<b>106</b>	<b>13</b>	<b>0</b>	<b>44</b>	<b>35</b>	<b>44</b>	<b>170</b>

\*Registered with professional Associate Body e.g. CA (SA)

# Chapter 4

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated : Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting officer	1	1	2	2	2	2
Chief financial officer	1	1	2	2	2	0
Senior managers	6	1	7	4	4	4
Any other financial officials	189	15	204	0	0	0
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	1	1	2	0	0	0
Supply chain management senior managers	1	1	2	2	2	2
<b>TOTAL</b>	<b>199</b>	<b>20</b>	<b>219</b>	<b>10</b>	<b>10</b>	<b>8</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)



# Chapter 4

SKILLS DEVELOPMENT EXPENDITURE											R'000
Management level	Gender	Employees as at 1 July 2012	Original Budget and Actual Expenditure on skills development 2012/13								
			Learnership		Skills programmes & other short courses		Other forms of training		Total		
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	0	0	80	0	0	0	80	0	
	Male	6	0	0	156	20	0	0	156	20	
Legislators, senior officials and managers	Female	86	0	0	368	125	0	0	368	125	
	Male	142	0	0	368	136	0	0	368	136	
Professionals	Female	194	0	0	456	82	0	0	456	82	
	Male	163	0	0	289	73	0	0	289	73	
Technicians and associate professionals	Female	186	40	0	548	125	0	0	588	125	
	Male	68	40	0	181	92	0	0	221	92	
Clerks	Female	144	35	0	524	22	0	0	559	22	
	Male	42	35	0	171	18	0	0	206	18	
Service and sales workers	Female	92	20	0	193	90	0	0	213	90	
	Male	94	20	0	483	22	0	0	503	22	
Plant and machine operators and assemblers	Female	7	20	0	142	98	0	0	162	98	
	Male	147	60	0	526	326	0	0	586	326	
Elementary occupations	Female	123	150	0	553	182	225	0	928	182	
	Male	183	150	0	825	136	225	0	1 200	136	
Subtotal	Female	833	265	0	2 864	724	225	0	3 354	724	
	Male	845	305	0	2 999	823	225	0	3 529	823	
<b>Total</b>		<b>1 678</b>	<b>570</b>	<b>0</b>	<b>5 863</b>	<b>1 547</b>	<b>450</b>	<b>0</b>	<b>6 883</b>	<b>1 547</b>	

\*R value of municipal salaries (original budget) allocated for workplace skills plan.

## COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Training interventions are targeted for implementation i.e. the Municipal Finance Management Programme, Certificate Programme in Municipal Accounting, as well as the CPMF for all finance officials and managers.

With regard to the implementation, the municipality has been able to implement MFMP, the Certificate Programme in Municipal Accounting and CPMF programmes respectively. There were three groups targeted for the Certificate Programme in Municipal Accounting, who were declared competent and completed the programme. The same group is on the next level of the same programme.

# Chapter 4

For the Municipal Finance Management Programme, the first intake also has successfully completed the programme and is currently dealing with the other added modules. As for the CPMD Programme the group started in May 2012 and completed the Programme in July 2013.

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

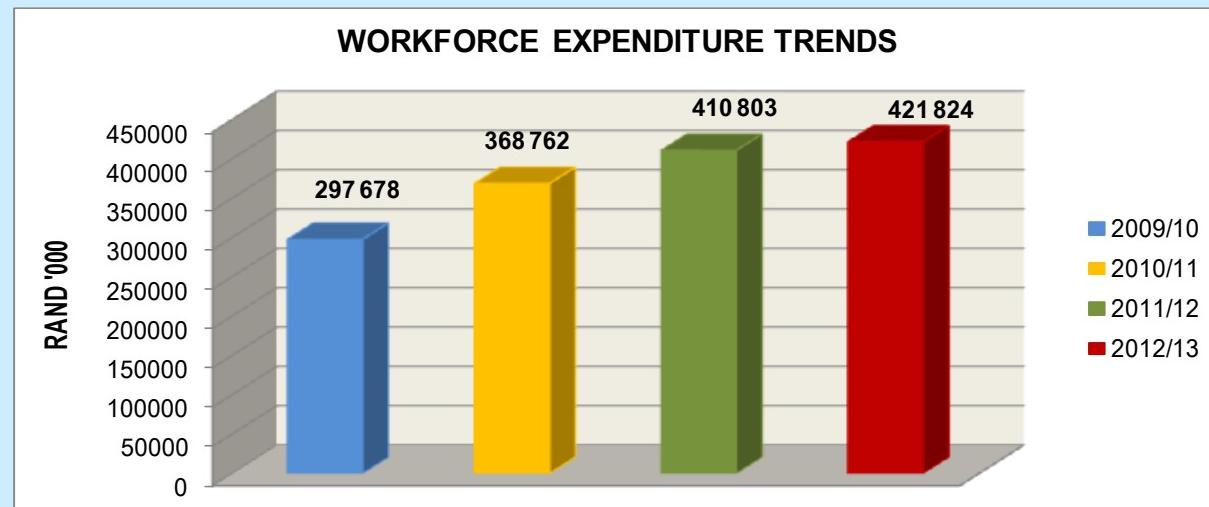
### INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure is a major part of the operational expenditure of the City of Matlosana. As it is mostly a fixed cost, proper planning and assessment of post requirements are necessary to make sure that the best available personnel are employed to meet the mandate of the municipality in service delivery to the community as well as obtain its objectives.

There is a strong national drive for creating employment, and municipalities are one arm of government that normally feels the pressure to create new jobs in its sphere. Although we support the creation of employment and we understand the expectation of the communities in this regard, the financial viability of the City of Matlosana must be recognised. The creation and filling of posts are budgeted for and measured against the approved budget and operational requirements.

The remuneration part of the employment costs is determined through the bargaining council and therefore out of our hands. Three variables that we have to keep monitoring and control are the vacancy rate, employee performance and overtime paid. We have put a lot of emphases on the monitoring and control of overtime worked as we believe that overtime is only necessary in specific scenarios and can indicate inefficiency or staff shortages (including high absenteeism). Performance management is of the utmost importance to increase the efficiency and thus output out of the workforce. There is still a way to go so as to implement the necessary measures and controls with the necessary buy-in of employees.

### 4.6 EMPLOYEE EXPENDITURE



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## COMMENT ON WORKFORCE EXPENDITURE

Personnel expenditure is constant at between 24.03% and 24.65%, with the figure for the 2012/13 year at 24.45%. This is well within the National Treasury guideline of 30%.

## UPGRADED POSTS

Number of employees whose salaries were increased due to their positions being upgraded	None
Employees whose salary levels exceed the grade determined by job evaluation	None
Employees appointed to posts not approved	None

## DISCLOSURES OF FINANCIAL INTERESTS

In terms of the requirements of PMS Regulations, 805 of 2006 disclosures are made by officials and councillors concerning their financial interests. See **Appendix J**.

## COMPONENT E: OVERSIGHT REPORTING

### 4.7 STAFF ESTABLISHMENT

STAFF ESTABLISHMENT	
Does the City of Matlosana have an approved staff establishment?	Yes, it was approved in terms of CC96/2011 dated 3 November 2011
Does the staff establishment provide for permanent and fixed posts?	Yes All senior manager positions are for a fixed term
If yes, provide details of the approved senior manager posts (permanent and fixed posts).	Municipal Manager Director Strategic Planning, Monitoring and Control Director Corporate Services Director Finance Director Civil Services and Human Settlements Director Electrical and Mechanical Engineering Director Municipal and Environmental Services Director Macro City Planning and Development
Was the staff establishment consulted with the MEC before approval by Council?	No
If no, provide reasons.	The Municipal Systems Amendment Act, 7 of 2011, stipulates that the posts provided for on the organogram must be approved by the Municipal Council
Were the recommendations of the MEC incorporated into the approved structure?	N/A
If no, provide reasons.	N/A

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## 4.8 APPOINTMENT OF SENIOR MANAGERS

APPOINTMENT OF MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER							
Post Title	Annual Salary	Term of Employment		Highest Qualifications	Was the senior manager subjected to competence assessment?	Does the senior manager hold political office?	Does the senior manager have a misconduct / criminal record?
		From	To				
Municipal Manager	1 179 073	22/02/2012	21/02/2017	Masters in Development and Governance	Yes, quarterly assessments	No	No
Director Strategic Planning, Monitoring and Control	1 153 900	17/04/2012	16/04/2017	BA Honours in Management and Development	Yes, quarterly assessments	No	No
Director Corporate Services	945 107	17/04/2012	16/04/2017	B Admin B Law	Yes, quarterly assessments	No	No
Director Finance	945 107	16/05/2012	15/05/2017	CA (SA)	Yes, quarterly assessments	No	No
Director Civil Services and Human Settlements	630 071	12/11/2012	11/11/2017	BSc Honours in Applied Science: Civil	Yes, quarterly assessments	No	No
Director Electrical and Mechanical Engineering	945 107	17/04/2012	11/07/2013	BTech and Certified Engineer. Electrical and Mechanical Government Certificate of Competency	Yes, quarterly assessments	No	No
Director Municipal and Environmental Services	N/A	N/A	N/A	Vacant	N/A	N/A	N/A
Director Macro City Planning and Development	945 107	17/04/2012	16/04/2017	Masters in Development and Management	Yes, quarterly assessments	No	No

# Chapter 4

## 4.9 EMPLOYMENT CONTRACTS

EMPLOYMENT CONTRACTS FOR MUNICIPAL MANAGER AND SENIOR MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER		
Post Title	Has the senior manager signed the employment contract with the municipality before commencement of duty?	Has the contract been submitted to the MEC within the prescribed timeframe?
Municipal Manager	Yes, 22 February 2012	Yes, 5 March 2012
Director Strategic Planning, Monitoring and Control	Yes, 16 April 2012	Yes, 30 April 2012
Director Corporate Services	Yes, 16 April 2012	Yes, 30 April 2012
Director Finance	Yes, 7 May 2012	Yes, 30 April 2012
Director Civil Services and Human Settlements	Yes, 9 November 2012	Yes, 19 November 2012
Director Electrical and Mechanical Engineering	Yes, 16 April 2012	Yes, 30 April 2012
Director Municipal and Environmental Services	Vacant	Vacant
Director Macro City Planning and Development	Yes, 16 April 2012	Yes, 30 April 2012

# Chapter 4

## 4.10 PERFORMANCE AGREEMENTS

STAFF ESTABLISHMENT (SECTION 56 EMPLOYEES)					
Post Title	Has the senior manager concluded a performance agreement with the municipality within the stipulated timeframe?	Has the performance agreement been submitted to the MEC within the prescribed timeframe?	Is the performance agreement aligned to the SDBIP of the municipality?	Is the SDBIP aligned to the IDP of the municipality?	Did the senior manager receive a performance bonus for the previous year?
Municipal Manager	Yes, 8 June 2012	Yes, 28 June 2012*	Yes	Yes	No
Director Strategic Planning, Monitoring and Control	Yes, 8 June 2012	Yes, 28 June 2012*	Yes	Yes	No
Director Corporate Services	Yes, 8 June 2012	Yes, 28 June 2012*	Yes	Yes	No
Director Finance	Yes, 8 June 2012	Yes, 28 June 2012*	Yes	Yes	No
Director Civil Services and Human Settlements	Yes, 12 November 2012	Yes, 22 November 2012	Yes	Yes	No
Director Electrical and Mechanical Engineering	Yes, 8 June 2012	Yes, 28 June 2012*	Yes	Yes	No
Director Municipal and Environmental Services	Vacant	Vacant	Vacant	Vacant	Vacant
Director Macro City Planning and Development	Yes, 8 June 2012	Yes, 28 June 2012*	Yes	Yes	No

\* A letter of acknowledgement was received from the MEC: Local Government & Traditional Affairs, Directorate: MRES (PMS Unit)

# Chapter 4

## 4.12 MINIMUM COMPETENCY REQUIREMENTS

### MUNICIPAL MANAGER AND CFO

DESCRIPTION	REQUIREMENTS	MUNICIPAL MANAGER: ET MOTSEMME	REQUIREMENTS	CFO: MK KGAUWE
Higher Education Qualification	At least NQF Level 6 OR Certificate in Municipal Financial Management	Masters in Development and Governance	At least NQF Level 7 in fields of Accounting, Finance or Economics OR CA (SA)	Chartered Accountant (SA)
Work-Related Experience	Minimum of 5 years at senior management level	12 Years and 8 months	Minimum of 2 years at senior and 5 years at middle management level	4 years in senior and 3 years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	√	As described in the Performance Regulations	√
Financial and Supply Chain Management Competency Areas: <ul style="list-style-type: none"><li>▶ Strategic leadership and management</li><li>▶ Operational financial management</li><li>▶ Governance, ethics and values in financial management</li><li>▶ Financial and performance reporting</li><li>▶ Risk and change management</li><li>▶ Legislation, policy and implementation</li><li>▶ Stakeholder relations</li><li>▶ Supply Chain Management</li></ul>	Required Minimum Competency Level in Unit Standards = CPMF	√	Required Minimum Competency Level in Unit Standards = CPMF	Postgraduate in Accounting CPMF – In process

# Chapter 4

## SENIOR MANAGERS

DESCRIPTION	REQUIREMENTS	CORPORATE SERVICES: AG STRYDOM	STRATEGIC PLANNING: LM RAMOROLA	MACRO CITY PLANNING: SG MABUDA	CIVIL & HS DR MUKONDELELI
Higher Education Qualification	At least NQF Level 7 in fields of senior management position	B Admin B Law	BA Honours in Management and Development	Masters in Development and Management	BSc Honours in Applied Science: Civil
Work-Related Experience	Minimum of 2 years at senior and 5 years at middle management level	16 Years in senior and 7 years in middle management	9 Years middle management	5 Years in senior and 5 years in middle management	2 Years in senior and 6 years in middle management
Core Managerial and Occupational Competencies	As described in the Performance Regulations	√	√	√	√
Financial and Supply Chain Management Competency Areas: <ul style="list-style-type: none"> <li>▶ Strategic leadership and management</li> <li>▶ Operational financial management</li> <li>▶ Governance, ethics and values in financial management</li> <li>▶ Financial and performance reporting</li> <li>▶ Risk and change management</li> <li>▶ Legislation, policy and implementation</li> <li>▶ Stakeholder relations</li> <li>▶ Supply Chain Management</li> <li>▶ Project management</li> <li>▶ Audit and assurance</li> </ul>	Required Minimum Competency Level in Unit Standards = CPMF	√	√	√	√

# Chapter 5



# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION TO FINANCIAL STATEMENTS

Although the City of Matlosana budgeted for a surplus, the municipality posted a net loss of R358m (2012 loss: R345m) for the financial year. This was mainly due to the impairment of the debtors and depreciation on assets that exceeded the budget. The higher depreciation is due to the restatement of assets to a higher value as a result of implementation of GRAP 16 and 17 requirements.

Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

#### 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	FINANCIAL SUMMARY					
	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ment Budget
<b>Financial Performance</b>						
Property rates	183 252	216 682	207 484	194 461	-10.26%	-6.28%
Service charges	645 295	819 531	853 418	747 704	-8.76%	-12.39%
Investment revenue	42 849	2 000	1 500	45 076	2153.80%	2905.07%
Grant income	352 581	341 313	348 412	437 739	28.25%	25.64%
Other own revenue	118 599	159 259	118 676	99 788	-37.34%	-15.92%
<b>Total Revenue</b>	<b>1 342 576</b>	<b>1 538 785</b>	<b>1 529 490</b>	<b>1 524 768</b>	<b>-0.92%</b>	<b>-0.31%</b>
Employee costs	409 054	405 188	421 308	421 213	3.96%	-0.02%
Remuneration of councillors	18 523	19 781	22 577	22 232	12.39%	-1.53%
Debt impairment	117 402	91 774	91 774	151 789	65.39%	65.39%
Depreciation & asset impairment	377 260	122 708	141 911	410 248	234.33%	189.09%
Finance charges	19 402	20 889	18 106	30 124	44.21%	66.38%
Materials and bulk purchases	476 254	576 821	556 821	608 611	5.51%	9.30%
Transfers and grants	0	0	0	0	0.00%	0.00%
Other expenditure	271 238	299 502	276 920	239 713	-19.96%	-13.44%
<b>Total Expenditure</b>	<b>1 689 134</b>	<b>1 536 663</b>	<b>1 529 417</b>	<b>1 883 930</b>	<b>22.60%</b>	<b>23.18%</b>
<b>Surplus/(Deficit)</b>	<b>-346 558</b>	<b>2 122</b>	<b>73</b>	<b>-359 162</b>		

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FINANCIAL SUMMARY (Cont)						
Description	2011/12		2012/13		2012/13 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust-ment Budget
<b><u>Capital expenditure &amp; funds sources</u></b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	50 145	123 546	188 317	100 680	-18.51%	-46.54%
Public contributions & donations	0	0	0	0	0.00%	0.00%
Borrowing	0	0	0	0	0.00%	0.00%
Internally generated funds	19 316	28 700	27 327	15 885	-81.29%	-72.62%
<b>Total sources of capital funds</b>	<b>69 461</b>	<b>152 246</b>	<b>215 644</b>	<b>117 565</b>	<b>-22.78%</b>	<b>-45.48%</b>
<b>Financial position</b>						
Total current assets	265 659			248 598		
Total non-current assets	6 520 167			6 218 878		
Total current liabilities	437 746			512 122		
Total non-current liabilities	375 196			348 490		
Community wealth / Equity	5 972 884			5 606 863		
<b>Cash flows</b>						
Net cash from (used) operating	174 420			107 972		
Net cash from (used) investing	-116 837			-112 298		
Net cash from (used) financing	-15 083			-2 419		
<b>Cash/cash equivalents at the year end</b>	<b>65 041</b>			<b>58 296</b>		
<b><u>Cash backing/surplus reconciliation</u></b>						
Cash and investments available						
Application of cash and investments	86 664	88 000	88 000	88 000	0.00%	0.00%
Balance - surplus (shortfall)	297 574	99 366	94 816	94 816	-4.80%	0.00%
<b>Asset management</b>						
Asset register summary (WDV)						
Depreciation & asset impairment	3 065 626	3 211 338	3 276 437	3 211 338	0.00%	0.00%
Renewal of existing assets	157 706	122 708	122 708	122 708	0.00%	0.00%
Free services						
Cost of Free Basic Services provided						
Water	19 124	18 000	13 567	15 583	-15.50%	-13%
Sanitation/sewerage	25 488	20 488	18 833	26 701	23.27%	29%
Energy	18 000	18 000	13 599	13 600	-32.35%	0%
Refuse	37 170	24 962	28 000	39 647	37.04%	30%

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Description	FINANCIAL PERFORMANCE OF OPERATIONAL SERVICES			2012/13 Variance	
	2011/12	Original Budget	Adjustments Budget	Actual	Original Budget
Actual					R '000
Operating Cost					
Water	210 169	243 692	236 633	221 315	(10.11)% (6.92)%
Waste Water (Sanitation)	49 579	85 307	83 016	104 565	18.42% 20.61%
Electricity	425 908	508 221	513 696	554 697	8.38% 7.39%
Waste Management	91 847	83 968	89 684	98 173	14.47% 8.64%
Housing	7 256	8 260	7 917	6 787	(21.70)% (16.65)%
<b>Component A: sub-total</b>	<b>784 759</b>	<b>929 448</b>	<b>930 946</b>	<b>985 537</b>	<b>5.69% 3.75%</b>
Roads and Storm-Water	101 750	136 923	128 689	133 705	(2.41)% 3.75%
<b>Component B: sub-total</b>	<b>101 750</b>	<b>136 923</b>	<b>128 689</b>	<b>133 705</b>	<b>(2.41)% 3.75%</b>
Planning	24 129	6 448	6 991	7 190	10.32% 2.76%
Local Economic Development	20 993	23 737	23 431	20 188	(17.58)% (16.06)%
<b>Component C: sub-total</b>	<b>45 122</b>	<b>30 185</b>	<b>30 422</b>	<b>27 378</b>	<b>(10.25)% (11.12)%</b>
Community & Social Services xxx	69 304	40 006	38 278	30 840	(29.72)% (24.12)%
Security and Safety	138 041	159 765	162 977	135 638	(17.79)% (20.16)%
Sport and Recreation	19 056	19 072	19 647	19 235	0.85% (2.14)%
Corporate Policy Offices and Other	531 102	221 265	218 459	551 596	59.89% 60.40%
<b>Component D: sub-total</b>	<b>757 503</b>	<b>440 108</b>	<b>439 361</b>	<b>737 309</b>	<b>40.31% 40.41%</b>
<b>Total Expenditure</b>	<b>1 689 134</b>	<b>1 536 664</b>	<b>1 529 418</b>	<b>1 883 929</b>	<b>18.43% 18.81%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

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## 5.2 GRANTS

Description	GRANT PERFORMANCE					
	2011/12	2012/13			2012/13 Variance	
Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants						
<b>National Government:</b>	301 280	340 313	344 176	336 014	-1.28%	-2.43%
Equitable share	298 960	35 773	335 773	331 799	-1.20%	-1.20%
Municipal Systems Improvement	481	800	1 371	1 371	41.65%	0%
Department of Water Affairs						
Levy replacement						
Other transfers/grants	1 838	3 340	7 030	2 844	-17.44%	-147.19%
<b>Provincial Government:</b>	351	400	1 040	8	-4 900.00%	-4 900.00%
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation	351	400	1 040	8	-4 900.00%	-4 900.00%
Other transfers/grants						
<b>District Municipality:</b>	-	-	3 000	2 786	100.00%	-7.68%
Mayoral Environmental Youth Projects			3 000	2 786	100.00%	-7.68%
<b>Other grant providers:</b>						
<b>Total Operating Transfers &amp; Grants</b>	<b>301 631</b>	<b>340 713</b>	<b>347 643</b>	<b>338 808</b>	<b>-0.56%</b>	<b>-2.61%</b>

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.

### COMMENT ON OPERATING TRANSFERS AND GRANTS

Operational grants for the year under review from national government is on average 99% spent, with the equitable share grant spending at 99%. Spending on provincial grants stands on 85%.

For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers, including Neighbourhood Development Partnership Grant (NDPG) and Public Transport Infrastructure and Systems Grant (PITS), see Appendix L.

# Chapter 5

GRANTS RECEIVED FROM SOURCES OTHER THAN DIVISION OF REVENUE ACT (DORA)						
R' 000						
Details of Donor	Actual Grant 2011/12	Actual Grant 2012/13	2012/13 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Provincial Government</b>						
A – Fire Grant	501	53	-	N/A	-	Upgrading Disaster Management and Fire Capacity
B – Improvement of Library Services	640	1 031	-	N/A	-	Improvement Library Services
<b>District Municipality</b>						
A – Mayoral Environmental Management Youth	0	213	-	N/A	-	Creation of Employment

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The purpose of asset management in the City of Matlosana is to ensure the effective and efficient control, utilisation, safeguarding and management of the City of Matlosana's property, plant and equipment and to make managers aware of their responsibilities in regard to property, plant and equipment.

It also sets out the standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation and to prescribe the accounting treatment for property, plant and equipment in the City of Matlosana, including the following: the cost of assets and the calculating of depreciation and capitalising of PPE as well as the classification of different types of assets.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2012/13						
Asset 1						
Name	Increase Capacity at Hartbeesfontein Treatment Plant					
Description	Increase Capacity at Hartbeesfontein Treatment Plant					
Asset Type	Capital Project					
Key Staff Involved	Contractors					
Staff Responsibilities	Monitoring					

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	2009/10	2010/11	2011/12	2012/13
Asset Value	1 060 698	2 813 744	9 110 412	14 348 726
Capital Implications	Solid Waste Treatment			
Future Purpose of Asset	Solid Waste Treatment			
Describe Key Issues	Upgrading of Hartbeesfontein Plant for Solid Waste			
Policies in Place to Manage Asset	Yes			
<b>Asset 2</b>				
Name	Resealing of Roads KOSH Area			
Description	Resealing of Roads KOSH Area			
Asset Type	Capital Project			
Key Staff Involved	Contractors			
Staff Responsibilities	Monitoring			
	2009/10	2010/11	2011/12	2012/13
Asset Value	0	0	2 605 455	6 044 269
Capital Implications	Better Roads for Public Use			
Future Purpose of Asset	Better Roads for Public Use			
Describe Key Issues	Maintenance of Roads			
Policies in Place to Manage Asset	Yes			
<b>Asset 3</b>				
Name	Rehabilitation of Landfill Sites			
Description	Rehabilitation of Landfill Sites			
Asset Type	Capital Project			
Key Staff Involved	Contractors			
Staff Responsibilities	Monitoring			
	2009/10	2010/11	2011/12	2012/13
Asset Value	0	0	148 990	10 398 962
Capital Implications	None			
Future Purpose of Asset	Make Space for any Type of Waste			
Describe Key Issues	Make Space for any Type of Waste			
Policies in Place to Manage Asset	Yes			

## COMMENT ON ASSET MANAGEMENT

The above projects were driven by the PMU Unit. The grants are received from government to improve infrastructure assets in various areas for better living conditions. These assets are grant-funded and the budget was approved for these capital projects. For audit purposes, these assets were signed off with a certificate of completion that was obtained from the various contractors before these projects could be signed off for completeness.

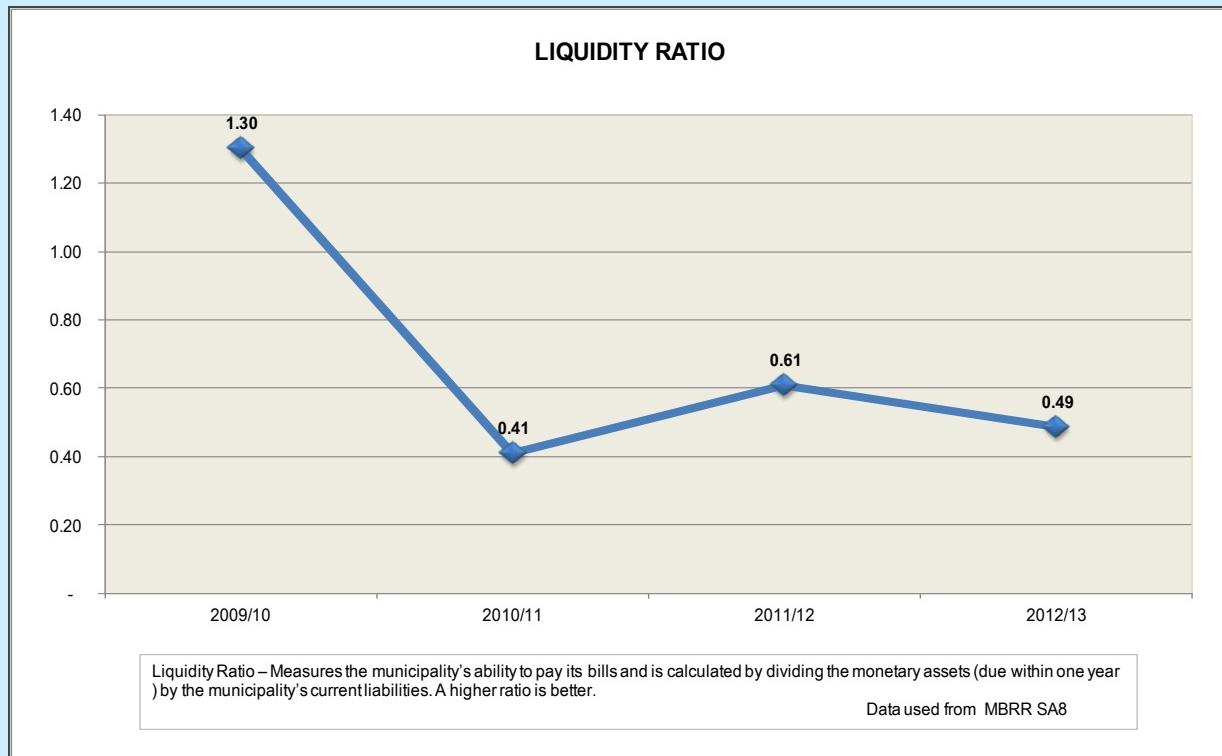
# Chapter 5

REPAIR AND MAINTENANCE EXPENDITURE: 2012/13				
Detail	Original Budget	Adjustment Budget	Actual	R' 000 Budget variance
Repairs and Maintenance Expenditure	74 536	67 344	46 221	31.4%

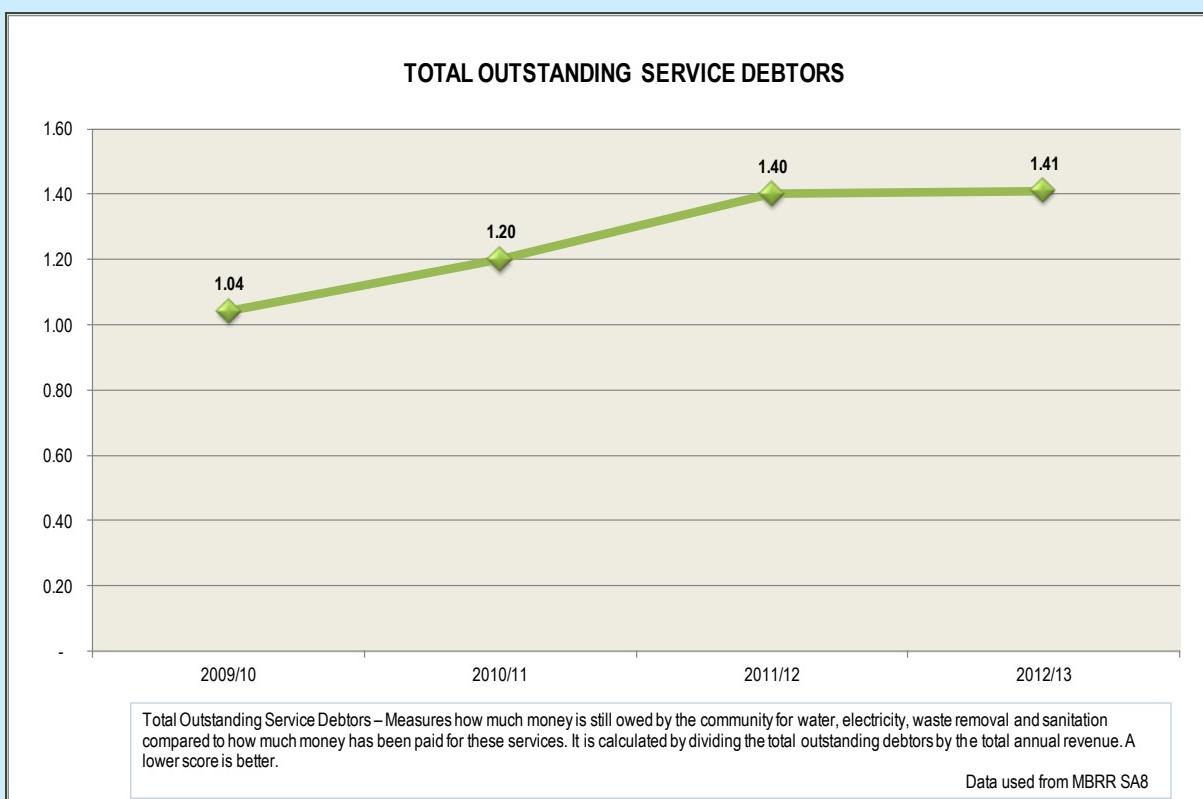
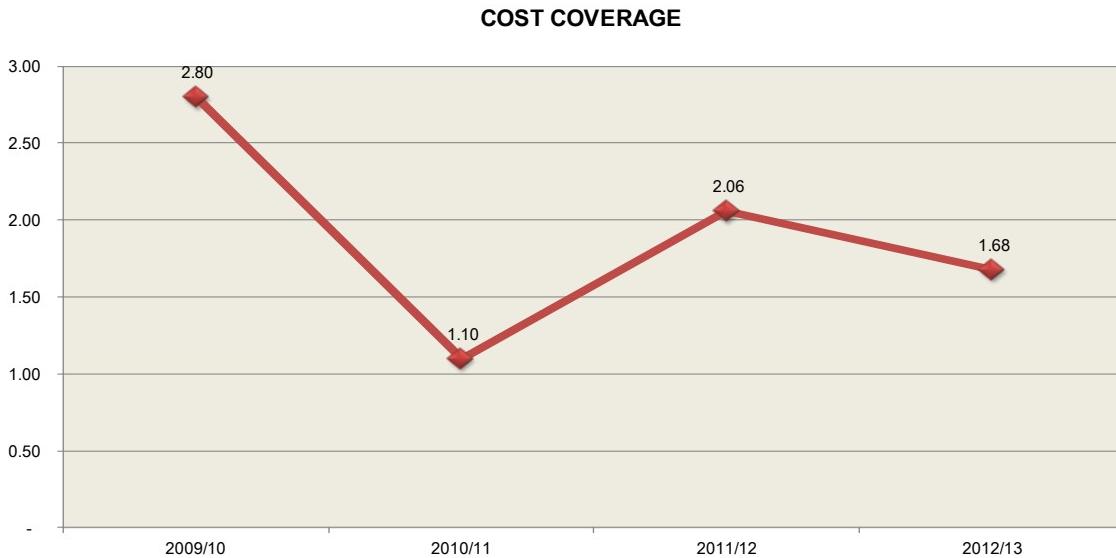
## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The proportion spent on repairs and maintenance is below par as it is constrained by the Municipality's cash flow. The critical and service delivery-related repairs and maintenance are given priority until the recovery measures have taken effect and normal repair and maintenance schedules can be followed.

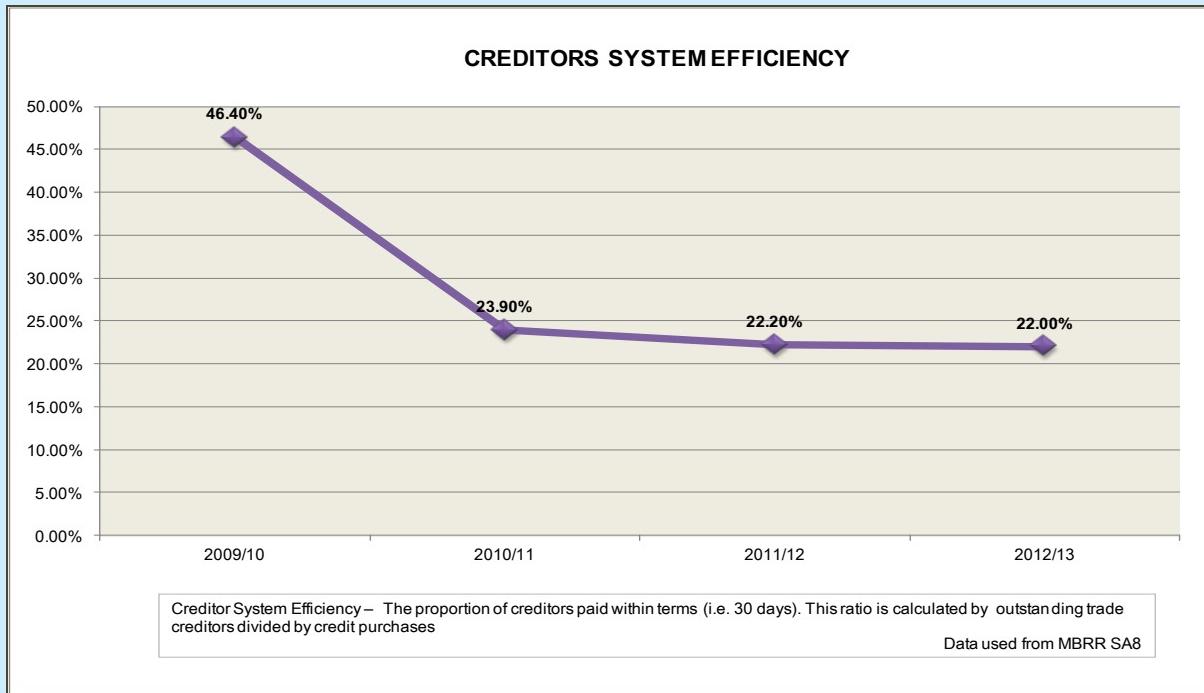
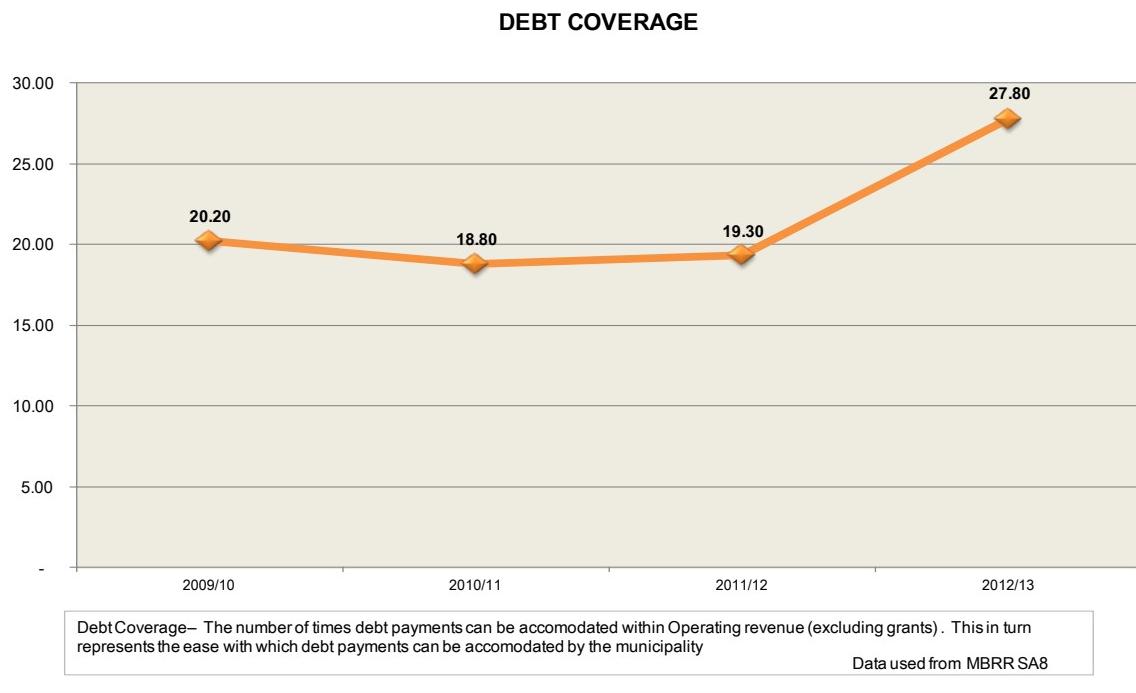
## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



# Chapter 5

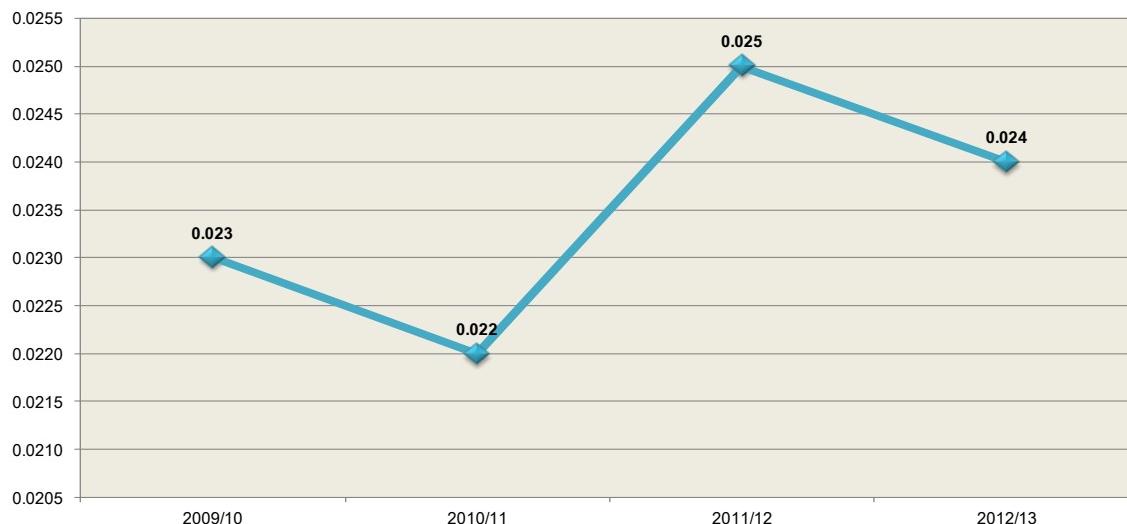


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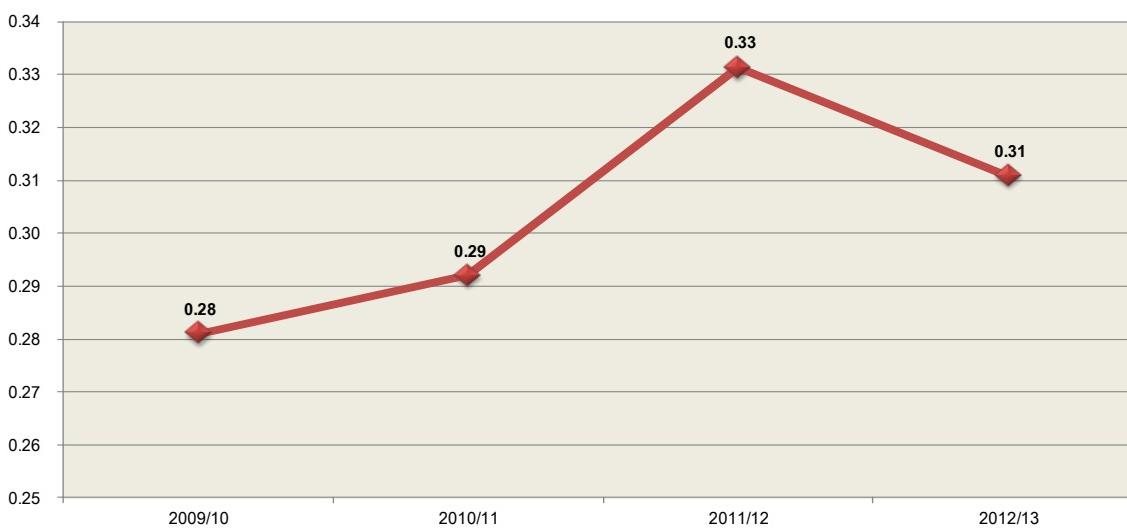
## CAPITAL CHARGES TO OPERATING EXPENDITURE



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

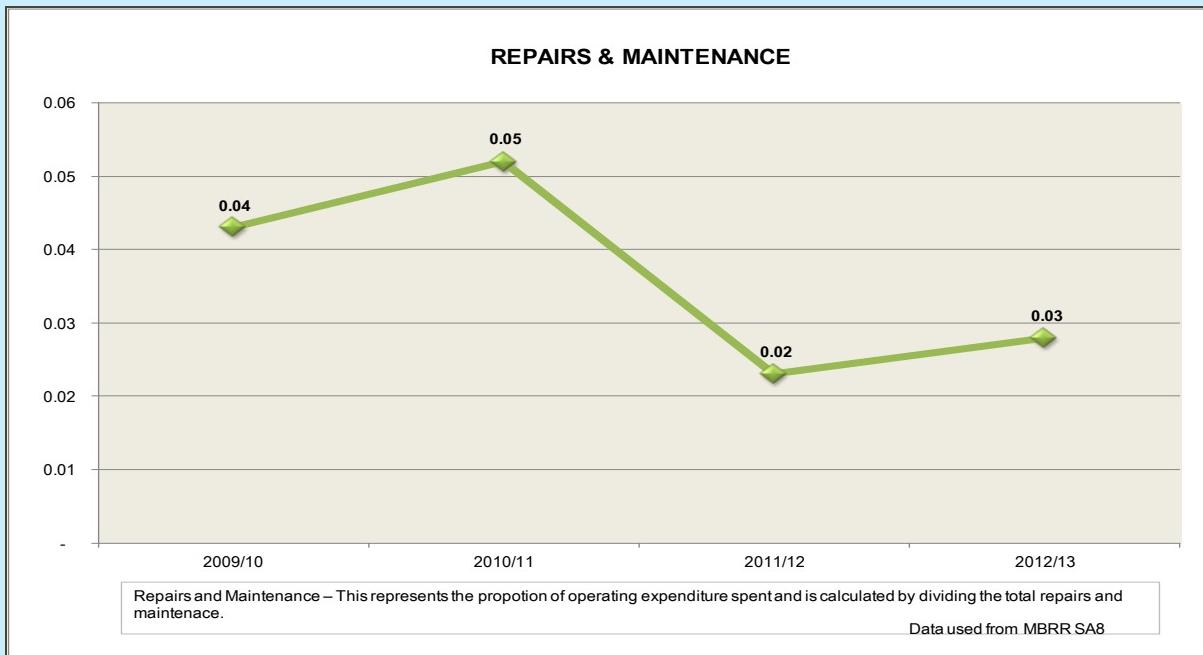
## EMPLOYEE COSTS



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

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## COMMENT ON FINANCIAL RATIOS

The low liquidity ratio reflects the problems faced by the City of Matlosana that manifested itself owing to low debt collection rates (underprovided for) and the slow response thereto in adjusting spending patterns. Management is now actively addressing the issues and there should be a recovery of the ratio over the next term.

A high cost coverage ratio is necessary in a highly fluctuating income environment so as to indicate the ability to cover the expected monthly fixed expenditure costs. Thus, although the ratio is low (but recovering), it is not on its own an indicator that shows financial difficulty or not, as the City of Matlosana has a steady income stream. It is expected to increase further from its low point as the recovery plans bear fruit.

The debt coverage ratio was stable during the last four financial periods as a result of stable operating income and the reliance on own income.

Although the ratio for the creditors' system efficiency is too low (must be at least 100%), we believe the ratio will improve from its obvious turning point. It is a high priority issue for management as we want to have a great and mutually beneficial relationship with our suppliers, and in so doing improve business opportunities within the KOSH area.

The present low reliance on capital funding is reflected in the ratio of capital charges to operating expenditure.

The graph representing the ratios of employee costs to revenue is constant and falls in the ranges that are experienced in the local government sector.

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The lower ratio of repairs and maintenance is of concern but cognisance must be taken of the fact that the City of Matlosana had to implement short-term measures to improve the cash flow until the medium term and longer term measures improve the financial situation of the City of Matlosana.

## NATIONAL KEY PERFORMANCE AREA

See pages 149-150 for details.

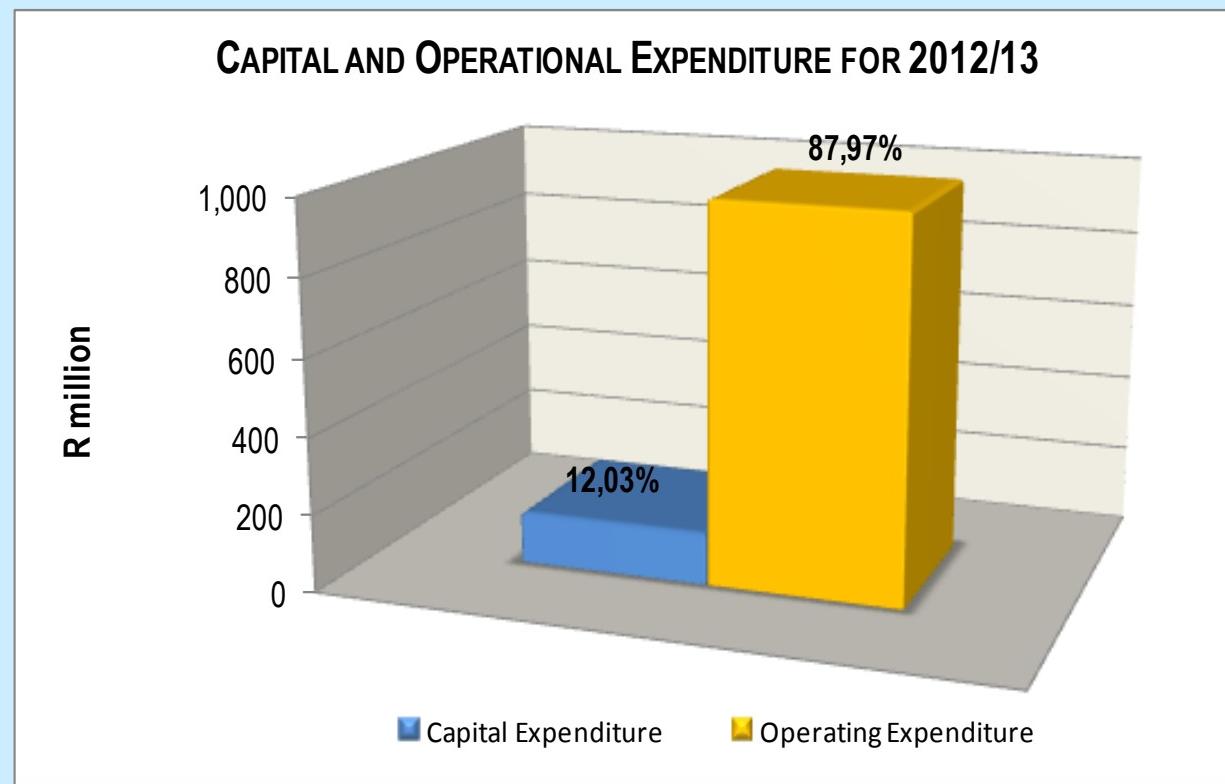
### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

#### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The capital projects are mainly funded by Municipal Infrastructure Grants (MIG), and a minimal amount thereof by internally generated funds. For the year under review the capital budget was not fully spent due to the late appointment of service providers. A plan has been developed to avoid a recurrence of underspending in future.

Please note that the capital expenditure relating to the new works and renewal programmes, the full programme of capital projects and alignment of projects in wards are in **Appendices M, N and O** respectively.

#### 5.5 CAPITAL EXPENDITURE



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R MILLION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	UN-AUDITED FULL YEAR TOTAL	ORIGINAL BUDGET VARIANCE	ADJUSTED BUDGET VARIANCE
Capital Expenditure	138	135	133	4.0%	1.5%
	<b>138</b>	<b>135</b>	<b>133</b>	<b>4.0%</b>	<b>1.5%</b>
Operating Expenditure	982	986	987	-0.5%	-0.1%
<b>Total</b>	<b>982</b>	<b>986</b>	<b>987</b>	<b>-0.5%</b>	<b>-0.1%</b>
<b>Total expenditure</b>	<b>1 120</b>	<b>1 121</b>	<b>1 119</b>	<b>0.1%</b>	<b>0.1%</b>
Water and sanitation	69	70	70	-1.1%	0.4%
Electricity	47	48	48	-0.7%	0.0%
Housing	5	5	5	-3.5%	0.0%
Roads, Pavements, Bridges and Storm-Water	16	14	14	15.3%	5.5%
Other	6	6	6	4.0%	0.0%
<b>Total</b>	<b>138</b>	<b>135</b>	<b>133</b>	<b>4.0%</b>	<b>1.5%</b>
External Loans	30	31	31	-3.3%	0.0%
Internal Contributions	42	34	34	19.9%	0.0%
Grants and subsidies	66	76	76	-14.9%	0.0%
<b>Total</b>	<b>138</b>	<b>141</b>	<b>141</b>	<b>-1.8%</b>	<b>0.0%</b>
External Loans	35	35	35	0.0%	0.0%
Grants and Subsidies	162	162	162	0.0%	0.0%
Investments Redeemed	30	48	48	-59.9%	0.0%
Statutory Receipts (including VAT)	85	87	88	-4.1%	-1.3%
Other Receipts	870	856	858	1.3%	-0.2%
<b>Total</b>	<b>1 182</b>	<b>1 189</b>	<b>1 192</b>	<b>-0.8%</b>	<b>-0.2%</b>
Salaries, wages and allowances	313	311	311	0.8%	0.0%
Cash and creditor payments	550	527	532	3.4%	-0.8%
Capital payments	102	142	141	-38.1%	0.7%
Investments made	—	54	43		20.8%
External loans repaid	56	64	64	-14.6%	0.2%
Statutory payments (including VAT)	93	92	92	1.7%	0.1%
Other payments	—	8	1		89.9%
<b>Total</b>	<b>1 115</b>	<b>1 198</b>	<b>1 183</b>	<b>-6.1%</b>	<b>1.3%</b>

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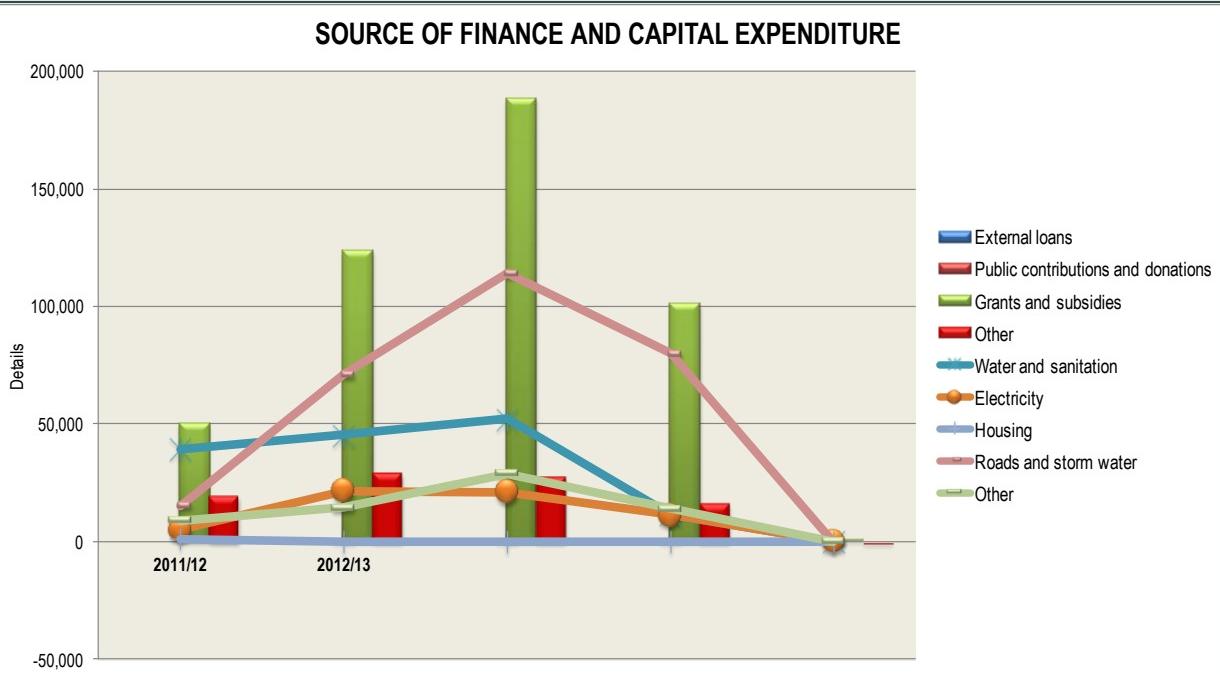
R MILLION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	UN-AUDITED FULL YEAR TOTAL	ORIGINAL BUDGET VARIANCE	ADJUSTED BUDGET VARIANCE
Property rates	164	164	164	-0.3%	-0.1%
Service charges	604	604	604	-0.1%	0.0%
Other own revenue	214	215	215	-0.5%	0.0%
<b>Total</b>	<b>982</b>	<b>984</b>	<b>984</b>	<b>-0.2%</b>	<b>0.0%</b>
Employee-related costs	303	300	301	0.6%	-0.1%
Provision for working capital	—	—	—		
Repairs and maintenance	51	52	52	-2.3%	-0.1%
Bulk purchases	291	293	293	-0.9%	0.0%
Other expenditure	338	340	340	-0.8%	-0.2%
<b>Total</b>	<b>982</b>	<b>986</b>	<b>987</b>	<b>-0.5%</b>	<b>-0.1%</b>
Service charges: Electricity	314	322	324	-2.9%	-0.3%
Grants & subsidies: Electricity	7	11	12	-75.7%	-11.9%
Other revenue: Electricity	22	22	22	-2.5%	-0.2%
<b>Total</b>	<b>343</b>	<b>356</b>	<b>358</b>	<b>-4.4%</b>	<b>-0.7%</b>
Employee-related costs: Electricity	13	13	13	3.7%	1.5%
Provision for working capital: Electricity	—	—	—		
Repairs and maintenance: Electricity	17	19	19	-17.0%	0.4%
Bulk purchases: Electricity	179	184	184	-3.0%	0.0%
Other expenditure: Electricity	34	50	51	-51.7%	-2.7%
<b>Total</b>	<b>242</b>	<b>266</b>	<b>267</b>	<b>-10.3%</b>	<b>-0.4%</b>
Service charges: Water	138	139	140	-1.9%	-0.9%
Grants & subsidies: Water	27	26	26	7.1%	0.0%
Other revenue: Water	12	14	14	-21.0%	-0.9%
<b>Total</b>	<b>177</b>	<b>178</b>	<b>180</b>	<b>-1.8%</b>	<b>-0.8%</b>
Employee-related costs: Water	13	14	14	-4.1%	0.1%
Provision for working capital: Water	—	—	—		
Repairs and maintenance: Water	9	9	9	-10.2%	-0.7%
Bulk purchases: Water	86	88	89	-3.2%	-0.2%
Other expenditure: Water	49	45	45	8.2%	0.2%
<b>Total</b>	<b>156</b>	<b>156</b>	<b>157</b>	<b>-0.1%</b>	<b>-0.1%</b>

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## 5.6 SOURCES OF FINANCE

CAPITAL EXPENDITURE - FUNDING SOURCES: 2011/12 TO 2012/13						
Details	2011/12	2012/13				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
<i>Source of finance</i>						
External loans	29 632	-	-	-	0.00%	0.00%
Public contributions and donations	-	-	-	-	0.00%	0.00%
Grants and subsidies	50 427	123 346	188 646	101 680	52.94%	-17.57%
Other	33 272	28 700	27 327	15 885	-4.78%	-44.65%
<b>Total</b>	<b>113 331</b>	<b>152 046</b>	<b>215 973</b>	<b>117 565</b>	<b>47.64%</b>	<b>-22.68%</b>
<i>Percentage of finance</i>						
External loans	0	0	0	0	0.00%	0.00%
Public contributions and donations	0	0	0	0	0.00%	0.00%
Grants and subsidies	1	1	1	1	110.04%	29.28%
Other	0	0	0	0	-10.04%	70.72%
<i>Capital expenditure</i>						
Water and sanitation	39 424	45 392	52 235	11 658	15.08%	-74.32%
Electricity	4 990	21 500	21 100	11 269	-1.86%	-47.59%
Housing	1 000	0	0	0	0.00%	0.00%
Roads and storm-water	15 135	70 954	113 895	80 802	60.52%	13.87%
Other	8 912	14 400	28 740	13 836	99.58%	-3.92%
<b>Total</b>	<b>69 461</b>	<b>152 246</b>	<b>215 970</b>	<b>117 565</b>	<b>173.32%</b>	<b>-22.78%</b>
<i>Percentage of expenditure</i>						
Water and sanitation	1	0	0	0	8.70%	65.58%
Electricity	0	0	0	0	-1.07%	41.99%
Housing	0	0	0	0	0.00%	0.00%
Roads and storm-water	0	0	1	1	34.92%	-11.03%
Other	0	0	0	0	57.46%	3.46%

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## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Name of Project	CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*					R' 000	
	Current: 2012/13			Variance: 2012/13			
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)		
A – Increase Cap Hartbeesfontein Waste Water Plant	14 392	14 392	14 349	-0,31%	-0,31%		
B – Rehabilitation of Landsite Site	14 197	14 197	10 399	-36,53%	-36,53%		
C – Paving of Taxi Routes / Storm-water Jouberton P6	13 000	13 000	3 231	-302,35%	-302,35%		
D – Upgrade Mechanical / Electrical Equipment & Pumps	8 000	8 000	372	-2050,54%	-2050,54%		
E – Khuma Bulk Water Supply	7 500	7 500	7 281	-3,01%	-3,01%		

### COMMENT ON CAPITAL PROJECTS:

Increase Capacity Hartbeesfontein Waste Water Treatment Plant: The R14 392 for Project (A) above was the last portion of the MIG funds and Council's last portion of counter-funding was to be utilised to complete the project i.e. R7 500 000.

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**Khuma Bulk Water Supply:** The above-mentioned project “Khuma Bulk Water Supply” was budgeted for prior to the implementation of the project, and the Municipality experienced a shortfall on the project, which forced the Municipality to counter-fund the Project.

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The migration of households into our municipal area of jurisdiction will obviously put more load on the existing sewer outfall lines. Our response is to first upgrade the existing outfall lines prior to servicing the backlog with sewer network services. This can only be done once the proper procedure for township establishment has been followed to address illegal squatters.

SERVICE BACKLOGS AS AT 30 JUNE 2013					Households (HHs)
Services	*Service level above minimum standard		**Service level below minimum standard		
	No. HHs	% HHs	No. HHs	% HHs	
Water	160 349	98.77%	1 986	1.23%	
Sanitation	158 770	97.82%	3 565	2.18%	
Electricity	158 774	97.81%	3 561	2.19%	
Waste management	159 680	98.36%	2 655	1.64%	
Housing	160 209	98.36%	2 126	1.37%	

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to \* formal and \*\* informal settlements.

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2012/2013 ON SERVICE BACKLOGS						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		
				Budget	Adjustments Budget	
Infrastructure - Road Transport						
Roads, Pavements & Bridges	70 753	108 870	109 199	35.21%	0.30%	
Generator	16 000	21 575	101 689	84.27%	78.78%	
Dams & Reservoirs	9 500	10 902	7 281	-30.48%	-49.73%	
Reticulation	14 392	23 831	23 831	39.61%	0.00%	
Sports	9 000	9 564	9 564	5.90%	0.00%	
Cemeteries	1 200	0	1 200	0.00%	100.00%	
<b>Total</b>	<b>120 845</b>	<b>174 742</b>	<b>252 764</b>	<b>52.19%</b>	<b>30.87%</b>	

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## COMMENT ON BACKLOGS:

The current backlogs have increased due to the migration within the KOSH area and occupation of land by squatters within privately owned land. Consequently the current infrastructure needs have increased drastically so that the current infrastructure cannot handle demand, which requires approximately R120 million to replace the existing network. This will minimise water loss within the KOSH area.

**Appendix P** contains details of schools and clinics that have been established and that do not have ready access to one or more basic services, while **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Council's cash flow is monitored on a daily basis by the Finance Management section. There is also monthly reporting to the mayor in the form of Section 71 reports and quarterly reports to Council. Due to financial constraints, the available cash of the Municipality is actively managed to ensure that the necessary basic service delivery objectives are achieved.

#### 5.9 CASH FLOW

CASH FLOW OUTCOMES				
Description	2011/12	2012/13		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<strong>CASH FLOW FROM OPERATING ACTIVITIES</strong>				
Receipts				
Ratepayers and other	944 726	1 070 000	1 070 000	1 031 053
Government – operating	302 436	341 313	341 313	338 801
Government – capital	50 145	70 000	70 000	98 938
Interest	42 849	33 995	33 995	45 076
Dividends				
Payments				
Suppliers and employees	(1 146 334)	(1 421 443)	(1 421 443)	(1 375 772)
Finance charges	(19 402)	(19 889)	(19 889)	(30 123)
Transfers and Grants				
<strong>NET CASH FROM / (USED) OPERATING ACTIVITIES</strong>	<strong>174 420</strong>	<strong>73 976</strong>	<strong>73 976</strong>	<strong>107 972</strong>

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipts				
Proceeds on disposal of PPE		2 200	2 200	0
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables	21	22	22	21
Decrease (increase) in non-current investments	(2 788)			5 246
Payments				
Capital assets	(114 069)	(75 000)	(75 000)	(117 565)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(116 837)</b>	<b>(72 778)</b>	<b>(72 778)</b>	<b>(112 298)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts				
Short-term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits	1 806	17 000	17 000	16 392
Payments				
Repayment of borrowing	(16 889)	(18 240)	(18 240)	(18 811)
<b>NET CASH FROM / (USED) FINANCING ACTIVITIES</b>	<b>(15 083)</b>	<b>(1 240)</b>	<b>(1 240)</b>	<b>(2 419)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>42 501</b>	<b>(42)</b>	<b>(42)</b>	<b>(6,745)</b>
Cash/cash equivalents at the year begin:	22 540	65 041	64 999	65 041
Cash/cash equivalents at the yearend:	65 041	64 999	64 957	58 296

## COMMENT ON CASH FLOW OUTCOMES

Cash flow is still under pressure due to a low collection rate in areas supplied by Eskom and the generally depressed economic climate. The available cash of the Municipality is actively managed to ensure that the necessary basic service delivery objectives are achieved. A debt collector has been appointed to assist the municipality with collections. Other measures are also being implemented to assist with cash flow constraints.

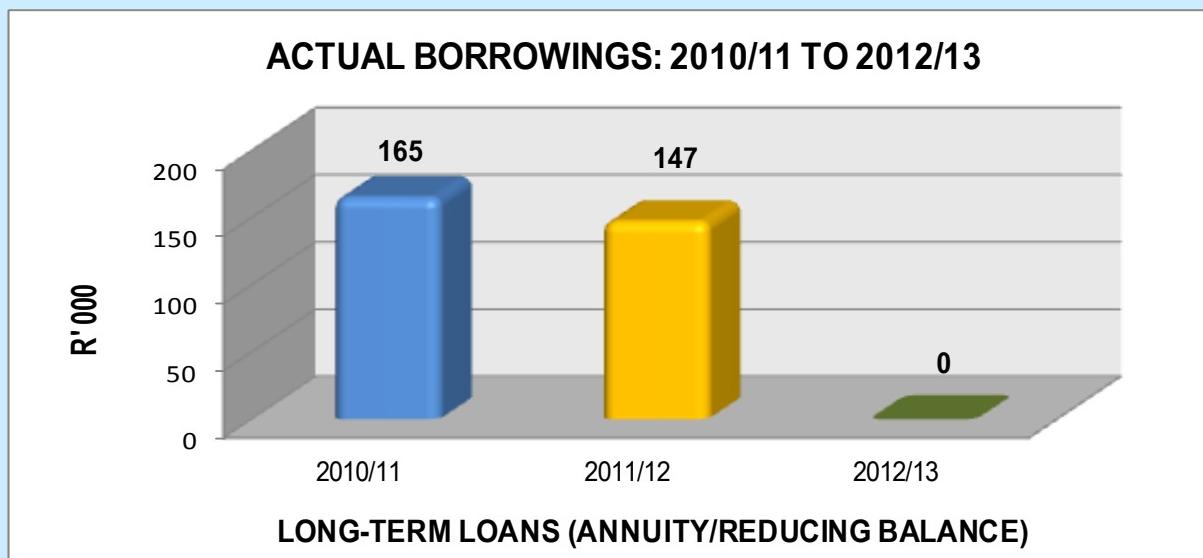
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## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

Council is in the position of having approved investment and cash management and borrowing policies. These are reviewed annually as part of the budgeting process. According to the investment policy, all surplus cash will be invested. Money received for conditional grants is also invested to ensure it is not used for operational purposes. Only when the expenditure accrues for conditional grants is the money transferred to Council's operational account. In the financial year under review no new loans were taken up.

ACTUAL BORROWINGS: 2010/11 TO 2012/13			
Instrument	2010/11	2011/12	2012/13
Municipality			
Long-Term Loans (annuity/reducing balance)	165	147	128
<b>Municipality Total</b>	<b>165</b>	<b>147</b>	<b>128</b>



MUNICIPAL INVESTMENTS			
Investment* type	2010/11	2011/12	2012/13
	Actual	Actual	Actual
Deposits – Bank	22 477	64 974	58 228
Guaranteed Endowment Policies (sinking)	5 824	6 150	406
Other	15 025	15 473	15 971
<b>Municipality Total</b>	<b>43 326</b>	<b>86 597</b>	<b>74 605</b>

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## COMMENT ON BORROWING AND INVESTMENTS

There were no new borrowings during the past financial year. The outstanding borrowings are constantly decreasing, with some loans that will be redeemed by June 2014.

Investment consists mainly of Municipal Infrastructure Grant moneys received from NT.

### 5.11 PUBLIC PRIVATE PARTNERSHIPS

#### PUBLIC PRIVATE PARTNERSHIPS

Council does not have any Public Private Partnerships.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

Our policy is in compliance with the Municipal Supply Chain Regulation.

The unit was recently capacitated with appointment of two additional resources. This will to a great extent assist to improve turnaround times and overall SCM unit performance.

### 5.13 GRAP COMPLIANCE

#### GRAP COMPLIANCE

The City of Matlosana applies Generally Recognised Accounting Practices (GRAP) in compilation of its financial statements; fixed assets module was identified as not being where our accounting system is not in compliance with GRAP, manual adjustments are processed to ensure compliance which is the case for assets, GRAP 17.

As part of the 2012/13 financial statements preparation process, a full GRAP compliance exercise was done. The next step is to adjust the system accordingly and to populate it with the results of the above-mentioned exercise. The structure of assets management will also be assessed to ensure that it is adequately capacitated to maintain the asset register.

# Chapter 6

# Chapter 6



# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

The Draft / Unaudited 2012/13 Annual Report, including consolidated annual financial statements and Annual Performance Report was submitted to the Auditor-General on 31 August 2013 for auditing, as per legislative requirement.

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

#### 6.1 AUDITOR GENERAL REPORTS 2011/12 (PREVIOUS YEAR)

Management is implementing a turn-around strategy to ensure that the objective of a clean audit report is achieved before the Government's deadline of 2014. To this end a Council Resolution has been adopted to approve the Clean Audit Projects.

Slow progress has been made to date mainly due to the following:-

- ▶ Lack of skills and stable leadership, specifically within the Finance department, to implement the clean audit project
- ▶ Legacy problems with the amalgamation of previous local authorities into the City of Matlosana which has a direct impact on numerous audit areas.

Management have made the following progress with implementation of corrective actions:-

- ▶ Engage the Auditor General on an ongoing basis to provide guidance on appropriateness of corrective actions
- ▶ Adoption of a Municipal Finance Improvement project as recommended by National Treasury
- ▶ Effective functioning of the audit committee and performance audit committee
- ▶ Appointment of the Chief Financial Officer
- ▶ Review and compilation of the policies and by-laws
- ▶ Revision of the clean audit project

Issues raised by the Auditor General has been analysed to establish its root causes and to come up with corrective action plans. Determined correctives are both short and medium term in nature. Increased effort will ensure that the intended objective is achieved through regular and continuous progress reporting mechanisms.

A high level overview of the issues raised by the Auditor General on the 2011 / 2012 Annual Financial Statements and the related corrective actions are presented in the table below:

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<u>AUDIT ISSUE</u>	<u>AUDIT REPORT [PARAGRAPH]</u>	<u>CORRECTIVE ACTION</u>
Property, plant and equipment	4 – 8	<p>Use of a service provider to assist with GRAP 17 compliance and resourcing of the asset management structure.</p> <p>Implementation of the asset management policy.</p>
Investment property	9 – 10	<p>Use of a service provider to assist with GRAP 16 compliance and resourcing of the asset management structure.</p>
Payables from exchange transactions	11 – 12	<p>Training of employees on accrual basis of accounting and the necessary reconciliations.</p> <p>Continue and expand procedures to clean general ledger that include amongst other:</p> <ul style="list-style-type: none"> <li>▶ Data cleaning, investigation and write off of unsubstantiated transactions</li> <li>▶ Proper record keeping of supporting documents</li> <li>▶ Alignment of procedures with relevant accounting standards</li> </ul> <p>System configuration for enhanced classification and reporting of transactions</p>
Payables from exchange transactions	11 – 12	<p>Training of employees on accrual basis of accounting and the necessary reconciliations.</p> <p>Continue and expand procedures to clean general ledger that include amongst other:</p> <ul style="list-style-type: none"> <li>▶ Data cleaning, investigation and write off of unsubstantiated transactions</li> <li>▶ Proper record keeping of supporting documents</li> <li>▶ Alignment of procedures with relevant accounting standards</li> </ul> <p>System configuration for enhanced classification and reporting of transactions</p>
Value added tax (VAT) payable	13 – 14	<p>Perform VAT audit and implement corrective actions.</p> <p>Training of employees on VAT compliance.</p>
Provisions	15 – 16	<p>Classification of current and non-current portion of provisions.</p> <p>Obtain actuarial valuations.</p>
Trade and other receivables from exchange transactions	17 – 18	<p>Continue and expand procedures to clean general ledger and consumer accounts that include amongst other:</p> <ul style="list-style-type: none"> <li>▶ Data cleaning, investigation and write off of unsubstantiated transactions</li> <li>▶ Proper record keeping of supporting documents</li> <li>▶ Alignment of procedures with relevant accounting standards such as the calculation of provisions</li> </ul> <p>System configuration for enhanced classification and reporting of transactions</p>
Consumer deposits	19	<p>Updating of consumer records through verification.</p> <p>Revision of consumer deposits in accordance with council policy.</p>
Unspent conditional grants	20	<p>Investigation of all transactions, including prior year opening balances in order to effect the necessary adjustments.</p>
Consumer debtors	21– 24	<p>Continue and expand procedures to clean general ledger and consumer accounts that include amongst other:</p> <ul style="list-style-type: none"> <li>▶ Data cleaning, investigation and write off of unsubstantiated transactions</li> <li>▶ Proper record keeping of supporting documents</li> <li>▶ Alignment of procedures with relevant accounting standards such as the calculation of provisions</li> </ul> <p>System configuration for enhanced classification and reporting of transactions</p>

# Chapter 6

Revenue	25	<p>Continue and expand procedures to clean general ledger and consumer accounts that include amongst other:</p> <ul style="list-style-type: none"> <li>▶ Proper record keeping of supporting documents</li> <li>▶ Alignment of procedures with relevant accounting standards such as the calculation of provisions</li> </ul> <p>System configuration for enhanced classification and reporting of transactions</p>
Operating expenses	26 – 28	<p>Continue and expand procedures to clean general ledger and consumer accounts that include amongst other:</p> <ul style="list-style-type: none"> <li>▶ Proper record keeping of supporting documents</li> <li>▶ Alignment of procedures with relevant accounting standards</li> </ul> <p>System configuration for enhanced classification and reporting of transactions</p>
Accumulated surplus	29	Continue and expand the clean up exercise on the account
Cash flow statement	30	Audit evidence relating to non-cash items will be prepared to support disclosures in the cash flow statement
GRAP disclosures	31 – 32	Amounts are being investigated and these will be correctly disclosed
Capital commitments	33	Systems and procedures are being improved to allow for extraction of relevant data for reporting purposes.
Irregular expenditure	34	Establish controls to prevent and identify irregular expenditure. Investigation of irregular expenditure is in progress.
Material losses	35	A solution to obtain and measure the losses is being investigated
MFMA disclosures	36	Amounts are being investigated and these will be correctly disclosed
Unauthorised and fruitless and wasteful expenditure	41 – 42	Establish controls to prevent and identify irregular expenditure. Investigation of irregular expenditure is in progress.
The following paragraphs relate to compliance with laws and regulations		
Predetermined objectives	46 – 49	An action plan to correct the findings is being prepared and will be implemented
Achievement of planned targets	51	All key directors have been appointed with the exception of the director of municipal & social services which is in the process of being finalised. These appointments will bring stability to all directorates and consequently management and achievement of planned targets
AFS, performance and annual reports	54	All of the planned actions plans will result in an improvement of the annual financial statements.
Performance Audit committee	55	The audit committee is in place and is functioning effectively including reporting to Council
Procurement and contract management	56 – 77	<p>The supply management structure including bid committees will be reviewed to facilitate implementation of and compliance with the supply chain management policy.</p> <p>A record management system is being investigated.</p> <p>Continuous training will be provided to supply chain officials, bid committee members and officials in general to promote and ensure compliance with the supply chain policy and regulations.</p>

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Expenditure management	78 – 81	<p>Training of employees on accrual basis of accounting and the necessary reconciliation.</p> <p>Continue and expand procedures to clean general ledger that include amongst other;</p> <ul style="list-style-type: none"> <li>▶ Data cleaning, investigation and write off of unsubstantiated transactions</li> <li>▶ Proper record keeping of supporting documents</li> <li>▶ Alignment of procedures with relevant accounting standards</li> </ul> <p>System configuration for enhanced classification and reporting of transactions.</p> <p>A debt collection process is under review and corrective actions will be implemented in order to improve our collection.</p>
Revenue management	82	<p>Continue and expand procedures to clean general ledger and consumer accounts that include amongst other;</p> <ul style="list-style-type: none"> <li>▶ Proper record keeping of supporting documents</li> <li>▶ Alignment of procedures with relevant accounting standards such as the calculation of provisions</li> </ul> <p>System configuration for enhanced classification and reporting of transactions</p>
Asset management	83 – 84	<p>Use of a service provider to assist with GRAP 17 compliance and resourcing of the asset management structure.</p> <p>Implementation of the asset management policy.</p>
Financial misconduct	85 – 86	<p>A process is being implemented to ensure all indications of financial misconduct is being investigated at the appropriate level</p>
Waste management	87 – 88	<p>We are in the process of formalising all the waste management sites and applying for the relevant licenses where applicable.</p>
Leadership	90	<p>Chief Financial Officer is appointed which will stabilise and provide leadership for finance directorate.</p>
Financial and performance management	91	<p>All of the planned actions plans will result in an improvement of the annual financial statements.</p> <p>Training of finance officials on relevant accounting standards.</p>
Governance	92	<p>A dedicated risk management officer has been appointed who will be responsible for the implementation of the risk management plan.</p>

## COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2011/12

Performance Management has received an unqualified opinion from the Auditor General.

# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION 2012/13 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT 2012/13



Auditing to build public confidence

AUDITOR-GENERAL  
SOUTH AFRICA

### REPORT OF THE AUDITOR-GENERAL TO THE NORTH WEST PROVINCIAL LEGISLATURE AND THE COUNCIL OF THE CITY OF MATLOSANA

#### REPORT ON THE FINANCIAL STATEMENTS

##### Introduction

1. I was engaged to audit the financial statements of the City of Matlosana set out on pages 317 to 369, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended and the notes, comprising of a summary of significant accounting policies and other explanatory information.

##### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP), the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

##### Basis for disclaimer of opinion

##### Property, plant and equipment

4. The municipality did not recognise, value and disclose all assets in the financial statements as required by SA Standards of GRAP, GRAP 17, *Property, plant and equipment*.



# Chapter 6

Property, plant and equipment is understated by R488 821 386 (2012: R509 476 408). The consequential impact on depreciation expense and accumulated surplus could not be quantified as it was impracticable to do so. In addition, I could not obtain sufficient appropriate audit evidence to confirm whether a payment of R29 632 000, included in the property, plant and equipment, was correctly capitalised. I was unable to confirm the correct treatment of this payment by alternative means. Consequently, I was unable to determine whether any adjustment relating to property, plant and equipment of R6 142 236 562 (2012: R6 436 734 046) as disclosed in note 3 to the financial statements was necessary.

## Investment property

5. Properties that met the recognition criteria of investment properties as per SA Standards of GRAP, GRAP 16, *Investment property*, were not included in the asset register as investment properties and consequently not recognised in the financial statements. In addition, investment properties were incorrectly recognised as inventory. Consequently, investment properties is understated by R64 769 255 (2012: R64 810 656), accumulated surplus understated by R20 553 867 (2012: R20 553 867) and inventory overstated by R44 215 388 (2012: R44 256 789).

## Consumer debtors

6. I was unable to obtain sufficient appropriate audit evidence for consumer debtors as information requested from management was not made available. The municipality's records did not permit the performance of alternative audit procedures. Consequently, I was unable to determine whether any adjustments to consumer debtors of R1 361 829 998 (2012: R1 205 257 250) were necessary.
7. As reported in the prior year, sufficient appropriate audit evidence were not submitted to substantiate consumer debtors written off during the 2011 financial year amounting to R22 788 276. I was unable to confirm this amount by alternative means. Consequently, I was unable to determine whether any adjustment relating to consumer debtors of R1 361 829 998 (2012: R1 205 257 250) disclosed in note 10 to the financial statements was necessary.
8. The municipality did not disclose the ageing of its consumer debtors as required by SA Standards of GRAP, GRAP 104, *Financial instruments*. Consumer debtors of R362 699 920, inappropriately written off in 2011, were not reinstated to the respective service categories but incorrectly grouped together under the other consumer debtors category.

## Receivables from exchange transactions

9. I was unable to obtain sufficient appropriate audit evidence to substantiate receivables in the prior year that was written off in the current year. I was unable to confirm these debtors by alternative means. Consequently, I was unable to determine whether any adjustments relating to impairment of receivables expense of R151 789 232 as disclosed in note 26 and receivables from exchange transactions of R9 084 028 (2012: R22 765 053) as disclosed in note 8 to the financial statements, were necessary.

## Payables from exchange transactions

10. The municipality did not correctly recognise and disclose payables from exchange transactions in the financial statements as required by SA Standards of GRAP, GRAP 1, *Presentation of financial statements*. Consequently, payables and property, plant and equipment are overstated by R58 439 323 and the corresponding amount for payables and operating expenditure are understated by R66 533 471.



# Chapter 6

11. I was unable to obtain sufficient appropriate audit evidence for payables of R13 614 908 (2012: R121 614 627) and retentions of R21 189 539 (2012: R18 382 422) included in trade payables and sundry creditors. I was unable to confirm the amount of these creditors by alternative means. Consequently, I was unable to determine whether any adjustment relating to trade payable of R131 506 672 (2012: R88 478 177) and sundry creditors of R137 878 797 (2012: R131 957 670) as disclosed in note 16 to the financial statements, was necessary.
12. The municipality did not correctly account for debtors with credit balances in the financial statements as required by SA Standards of GRAP, GRAP 1, *Presentation of financial statements*. Consumer debtors with debit and credit balances were incorrectly disclosed as debtors and creditors. Consequently, payments received in advance disclosed in note 16 and consumer debtors disclosed in note 10 to the financial statements are overstated by R26 140 721.

## Payables from non-exchange transactions

13. The municipality did not correctly recognise and disclose payables owed to the provincial government from non-exchange transactions in the financial statements as required by SA Standards of GRAP, GRAP 1, *Presentation of Financial Statements*. Consequently, payables from non-exchange transactions are understated by R46 825 099. The consequential impact on other classes of transactions and account balances could not be quantified as it was impracticable to do so.

## Unspent conditional grants

14. Due to limitations placed on the scope of my work in prior years, I could not obtain sufficient appropriate audit evidence to confirm unspent conditional grants. I was unable to confirm the amount pertaining to these liabilities by alternative means. Consequently, I was unable to determine whether any adjustment relating to unspent conditional grants of R102 190 674 (2012: R76 044 287) disclosed in note 14 to the financial statements was necessary.

## Provisions

15. SA Standards of GRAP, GRAP 19, *Provisions, contingent liabilities and contingent assets* require that a provision be recognised when an entity has a present obligation for an outflow of economic resources that can be reliably estimated. Contrary to this requirement, the municipality failed to recognise a provision for long-service awards. I was unable to determine the extent of this provision due to limitations placed on the scope of my work by the municipality. The municipality's records did not permit the application of alternative audit procedures regarding this provision. Consequently, I did not obtain all the information and explanations I considered necessary to satisfy myself as to the extent of the provision.
16. The cost to rehabilitate landfill sites were not accounted for in terms of SA Standards of GRAP, GRAP 19, *Provisions, contingent liabilities and contingent assets*. Consequently, due to the incorrect accounting treatment expenditure is understated by R23 437 743, assets overstated by R10 398 962 and revenue understated by R13 038 782.

## VAT payable

17. The municipality did not account for all the VAT transactions and VAT receivables in terms of SA Standards of GRAP, GRAP 1, *Presentation of financial statements*. Had these transactions been correctly accounted for, the VAT payable of R1 908 500 would have been Rnil and a VAT receivable of R29 963 944 recognised. The consequential impact of this misstatement on other classes of transactions and account balances could not be quantified as it was impracticable to do so.



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## Consumer deposits

18. I was unable to obtain sufficient appropriate audit evidence for consumer deposits disclosed in the financial statements as information requested from management was not made available. I was unable to confirm consumer deposits by alternative means. Consequently, I was unable to determine whether any adjustment relating to consumer deposits of R39 705 014 (2012: R23 312 820) as disclosed in the statement of financial position and note 18 was necessary.

## Accumulated surplus

19. Limitations placed on the audit of expenditure, revenue transactions and adjustments made to the accumulated surplus in prior years have not been resolved. The municipality's records did not permit the application of alternative audit procedures regarding these transactions. Consequently, I was unable to determine whether any adjustment relating to accumulated surplus of R5 601 737 468 (2012: R5 967 758 182) as disclosed in the financial statements was necessary.

## Housing development fund

20. I was unable to obtain sufficient appropriate audit evidence that management has properly accounted for all revenue transactions relating to the housing development fund in terms of the requirements of section 14(4)(d) of the Housing Act, 1997 (Act No. 107 of 1997), due to the non-availability of accounting records. I was unable to confirm the housing development fund reserve by alternative means. Consequently, I was unable to determine whether any adjustment to the housing development fund reserve as disclosed in the statement of financial position as R5 125 928 (2012: R5 125 928) was necessary.

## Revenue

21. During 2012, I was unable to obtain sufficient appropriate audit evidence for other income of R82 536 209 disclosed in the statement of financial performance. I was unable to confirm the amount of other income by alternative means. Consequently, I was unable to determine whether any adjustments relating to the corresponding figure for other income in the financial statements were necessary. My audit opinion on the financial statements for the period ended 30 June 2012 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

## Operating expenditure

22. During 2012, I was unable to obtain sufficient appropriate audit evidence to substantiate payments for goods and services and whether services were received for payments made. I was unable to confirm these transactions by alternative means. Consequently, I was unable to determine whether any adjustments relating to the corresponding figure for general expenses of R184 565 403 as disclosed in note 23 and contracted services of R54 626 526 as disclosed in note 31 to the financial statements, were necessary. My audit opinion on the financial statements for the period ended 30 June 2012 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

## Remuneration of councillors

23. Contrary to the requirements of section 7(1) of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), councillors were paid in excess of the upper limits as determined by the Minister.



# Chapter 6

Consequently, councillors remuneration amounting to R22 232 302 as per note 25 of the financial statements is overstated by R4 024 019 and the irregular expenditure receivable understated by R4 024 019.

## Cash flow statement

24. Contrary to the requirements of SA Standards of GRAP, GRAP 2, *Cash flow statements*, the municipality's calculation of net cash flows from operating activities and cash generated from operations did not appropriately account for non-cash items in the cash flow statement. The municipality's records did not permit the application of alternative audit procedures to determine the extent of the misstatement. Consequently, I did not obtain sufficient appropriate audit evidence to confirm the accuracy of the cash flow statement for the current and corresponding year.

## GRAP disclosures

25. The municipality did not separately disclose all material amounts in the financial statements as required by SA Standards of GRAP, GRAP 1, *Presentation of financial statements*. Material classes of similar items were not presented separately for other income, property, plant and equipment, operating expenses and payables from exchange transactions in the financial statements.
26. Comparisons between the budget and actual amounts disclosed in the statement of comparative and actual information in note 47 of the financial statements were not adequately disclosed as required by SA Standards of GRAP, GRAP 24; *Presentation of Budget Information* in Financial Statements. Furthermore, material differences between the budget and actual amounts were not explained. A comparison between the budgeted and actual capital expenditure were also not disclosed in the notes to the financial statements.

## Unauthorised expenditure

27. Section 125 of the MFMA requires disclosure of material unauthorised expenditure. Unauthorised expenditure of R113 108 659 incurred during the year as a result of overspending on individual votes were not disclosed in the notes to the financial statements. Consequently, unauthorised expenditure of R844 561 709 as disclosed in note 41 to the financial statements is understated by R113 108 659.

## Irregular expenditure

28. Section 125 of the MFMA requires the disclosure of irregular expenditure incurred. The municipality made payments in contravention with the supply chain management requirements which were not included in irregular expenditure disclosed. Consequently, irregular expenditure as per note 43 to the financial statements, is understated by R34 677 310 (2012: R233 301 425).
29. I was unable to obtain sufficient appropriate audit evidence to confirm that awards of R257 848 535 (2012: R809 476 993) were made in terms of the supply chain management policy. Sufficient and appropriate audit evidence could also not be provided to substantiate irregular expenditure amounting to R284 378 350 included in note 43 to the financial statements. The municipality's records did not permit the application of alternative procedures. Consequently, I was unable to determine whether any adjustment relating to irregular expenditure of R397 771 476 (2012: R33 897 811) disclosed in note 43 to the financial statements was necessary.

## Commitments

30. I was unable to obtain sufficient appropriate audit evidence for capital commitments as information requested from management was not made available.



# Chapter 6

The municipality's records did not permit the application of alternative procedures. Consequently, I was unable to determine whether any adjustments to capital commitments of R224 832 742 (2012: R234 223 242) as disclosed in note 34 to the financial statements were necessary.

## **MFMA disclosures**

31. Section 125(1)(c) of the MFMA requires the disclosure of the total amounts paid in audit fees, taxes, levies, duties and pension and medical aid contributions and whether any amounts were outstanding at the end of the financial year. The amounts for the corresponding year as disclosed in note 44 to the financial statements for medical and pension contributions and taxes and levies are misstated. The corresponding figures for medical and pension fund contributions are understated by R7 013 936, taxes and levies understated by R6 487 985 and the amount for outstanding audit fees understated by R1 214 394.
32. The municipality did not disclose electricity and water distribution losses in the financial statements as required by section 125 (2)(d)(i) of the MFMA. I was unable to determine the amount of these distribution losses by alternative means. Consequently, I was unable to determine the extent of the non-disclosure of distribution losses on the financial statements.

## **Disclaimer of opinion**

33. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

## **Emphasis of matters**

34. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## **Fruitless and wasteful expenditure**

35. As disclosed in note 42 to the financial statements, fruitless and wasteful expenditure of R15 565 936 for the current year and R15 408 286 from prior years have not yet been dealt with in accordance with section 32 of the MFMA.

## **Going concern**

36. As disclosed in the statement of financial performance, the municipality incurred a net loss of R359 162 192 for the year ended 30 June 2013 and, as of that date, the municipality's current liabilities exceeded its current assets by R263 523 940. These conditions, along with other matters as set forth in note 39, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

## **Restatement of corresponding figures**

37. As disclosed in note 37 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2012/13 in the financial statements of the municipality at, and for the year ended, 30 June 2012.



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## Additional matter

38. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited supplementary schedules

39. The supplementary information set out on pages 370 to 379 does not form part of the financial statements and is presented as additional information. I have not audited these annexures and, accordingly, I do not express an opinion thereon.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

40. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

41. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 141 to 220 of the annual report.
42. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development priorities or objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information (FMPPI).
43. The reliability of the information in respect of the selected development priorities and objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
44. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

## Additional matter

45. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter below.

## Achievement of planned targets

46. Of the total number of 240 targets planned for the year, 98 of these targets were not achieved during the year under review. This represents 41% of the total planned targets that were not achieved during the year under review. This was as a result of the institution not considering relevant systems and evidential requirements during the annual strategic planning process.

## Compliance with laws and regulations

47. I performed procedures to obtain evidence that the municipality has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:



# Chapter 6

## Budgets

48. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

## Annual financial statements, performance and annual reports

49. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer audit opinion.

## Procurement and contract management

50. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) & (c).
51. Quotations were accepted from prospective providers who are not registered on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy in contravention of SCM regulation 16(b) and 17(b).
52. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
53. Sufficient appropriate audit evidence could not be obtained that bid specifications were drafted by bid specification committees which were composed of one or more officials of the municipality as required by SCM regulation 27(3).
54. Sufficient appropriate audit evidence could not be obtained that bids were evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality as required by SCM regulation 28(2).
55. Contracts and quotations were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding and quotations, in contravention of SCM Regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.
56. Sufficient appropriate audit evidence could not be obtained that bid adjudication was always done by committees which were composed in accordance with SCM regulation 29(2).
57. Awards were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5)(b).
58. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and SCM regulation 28(1)(a).
59. Contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of the Preferential Procurement Policy Framework Act and its regulations.
60. Contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act.
61. Sufficient appropriate audit evidence could not be obtained that contracts were only extended or modified after tabling the reasons for the proposed amendment in the council of the municipality, as required by section 116(3) of the MFMA.



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62. Sufficient appropriate audit evidence could not be obtained that all extension or modification to contracts were approved by a properly delegated official, as required by SCM Regulation 5.
63. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
64. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.
65. Sufficient appropriate audit evidence could not be obtained that construction contracts were awarded to contractors that were registered with the Construction Industry Development Board (CIDB) and qualified for the contract in accordance with section 18(1) of the CIDB Act and CIDB regulations 17 and 25(7A).
66. Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the CIDB Act and CIDB regulation 18.
67. Sufficient appropriate audit evidence could not be obtained that contract and quotations were only awarded to providers whose tax matters have been declared by the South African Revenue Service to be in order as required by SCM regulation 43.
68. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
69. Awards were made to providers who are in the service of the municipality and directors or principal shareholders are in the service of the municipality in contravention of section 112(j) of the MFMA and SCM regulation 44. Furthermore the provider failed to declare that he/she was in the service of the municipality, as required by SCM regulation 13(c).
70. Awards were made to providers who are in the service of other state institutions or whose directors/ principal shareholders are in the service of other state institutions, in contravention of MFMA section 112(j) and SCM regulation 44. Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).
71. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, as required by SCM regulation 46(2)(e) and the code of conduct for councillors issued in terms of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and the code of conduct for staff members issued in terms of the MSA.
72. A list of accredited prospective providers was not in place for procuring goods and services through quotations as required by SCM regulation 14(1)(a).
73. The prospective providers list for procuring goods and services through quotations was not updated at least quarterly to include new suppliers that qualify for listing, and prospective providers were not invited to apply for such listing at least once a year as per the requirements of SCM regulation 14(1)(a)(ii) and 14(2).
74. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive, as management has failed to implement a record management system.

## Human resource management and compensation

75. The competencies of financial and supply chain management officials were not assessed in a timely manner in order to identify and address gaps in competency levels as required by the Municipal Regulations on Minimum



# Chapter 6

Competency Levels regulation 13.

76. The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury as required by the Regulations on Minimum Competency Levels regulation 14(2)(a).
77. The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies as required by the Regulations on Minimum Competency Levels regulation 14(2)(b).
78. Sufficient appropriate audit evidence could not be obtained that supply chain management managers and finance officials at middle management met any of the prescribed competency areas as required by regulation 8 and 9 of the Municipal Regulations on Minimum Competency Levels.

## Expenditure management

79. Money owing by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.
80. An adequate management, accounting and information system was not in place which accounted for creditors, as required by section 65(2)(b) of the MFMA.
81. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

## Asset management

82. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the Municipal Finance Management Act.

## Liability management

83. An effective system of internal control for liabilities, including a liability register, was not in place, as required by section 63(2)(c) of the Municipal Finance Management Act.

## Consequences management

84. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, in accordance with the requirements of section 32(2) of the MFMA.
85. The accounting officer did not always report cases of irregular conduct that constituted a crime to the South African Police Service, as required by SCM regulation 28(1)(b).

## Waste management

86. The municipality operated its wastewater treatment facilities without licenses in contravention of section 20(b) of the National Environmental Management Waste Act, 2008 (Act No. 59 of 2008) (NEMWA), section 24(2)(a) of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and section 22(1)(b) of the National Water Act, 1998 (Act No. 36 of 1998) (NWA).
87. The municipality's operational activities at its waste disposal sites and wastewater treatment facilities contravened or failed to comply with the requirements of a waste management permit or license and the regulatory provisions in terms of section 67(1)(f)&(h) of the NEMWA and section 29(4) of the ECA in instances where such were issued.



# Chapter 6

88. The municipality's waste management and disposal activities contravened or failed to comply with the requirements of section 28(1) of the NEMA, section 19 of the NWA and sections 16(1)(c)&(d) and 26(1)(b) of the NEMWA.

## **Internal control**

89. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for disclaimer of opinion and the findings on compliance with laws and regulations included in this report.

## **Leadership**

90. The leadership has not enforced a culture of honesty, ethical business practices and good governance. Resolutions adopted by Council to address prior year audit findings had little impact on audit outcomes as matters that were reported on in prior years were not resolved.

## **Financial and performance management**

91. Management's failure to comply with laws and regulations as well as their inability to implement controls to ensure reliable and accurate financial reporting, reflects negatively on their commitment towards improved audit outcomes. Furthermore, management did not implement a proper record management system to address repetitive findings relating to supply chain management regulations.

## **Governance**

92. The risks which emanated from the prior year audit report were not addressed through the implementation of the risk management strategy adopted by the municipality. Though the audit committee fulfilled its function, the municipality did not adequately respond to the concerns raised by the audit committee, resulting in the internal control environment over financial information and compliance with laws and regulations being ineffective.



Rustenburg

30 November 2013



# Chapter 6

## COMMENTS ON AUDITOR-GENERAL'S OPINION ON FINANCIAL PERFORMANCE – 2012/13

Management response and corrective actions taken or to be taken to address issues raised in the 2012/2013 audit report:

Management will implement this action plan to improve the audit outcomes. Slow progress has been made to date mainly due to the following:

- ▶ Lack of skills to implement the clean audit project
- ▶ Legacy problems with the amalgamation of previous local authorities into the City of Matlosana which has a direct impact on numerous audit areas.

Management have made the following progress with implementation of corrective actions;

- ▶ Engage the Auditor General on an ongoing basis to provide guidance on appropriateness of corrective actions
- ▶ Adoption of a Municipal Finance Improvement project as recommended by National Treasury
- ▶ Effective functioning of the audit committee and performance audit committee
- ▶ Review and compilation of the policies and by-laws

Issues raised by the Auditor General has been analysed to establish its root causes and to come up with corrective action plans. Determined correctives are both short and medium term in nature. Increased effort will ensure that the intended objective is achieved through regular and continuous progress reporting mechanisms.

A high level overview of the issues raised by the Auditor General on the 2012 / 2013 Annual Financial Statements and the related corrective actions are presented in the table below:

<u>AUDIT ISSUE</u>	<u>AUDIT REPORT [PARAGRAPH]</u>	<u>CORRECTIVE ACTION</u>
Property, plant and equipment	4	Use of a service provider to assist with GRAP 17 compliance and resourcing of the asset management structure. Implementation of the asset management policy.
Investment property	5	1. Completeness/existence – Asset team and land affairs will match GIS and asset register to identify land with buildings. Corrections will then be done. 2. Use of a service provider to assist with GRAP 16 compliance and resourcing of the asset management structure
Consumer debtors	6-8	1. Complete the debtors verification for the 2012 year a. Review all outstanding debtors as at 30 June 2012 for movement b. Perform a verification for all debtors with no movement 2. Supply complete list of debtors written off in 2011, as well as evidence that it was done in line with the policy. Otherwise it must be written back. 3. Report all irrecoverable debtors to Council and request a write off

# Chapter 6

Receivables from exchange transactions	9	<ul style="list-style-type: none"> <li>1. Do a thorough examination of the debtors as per the list of Trade and other receivables to ascertain the reasons for its existence. Task the appropriate personnel to account for the specific accounts in the list           <ul style="list-style-type: none"> <li>a. Produce reconciliations for end of June 2013</li> <li>b. Produce monthly reconciliations monthly for 2014</li> </ul> </li> <li>1. Evaluate the validity and recoverability of the balance and adjust the financial statements accordingly</li> <li>2. Where no documents exist report the matter to Council and request for a write off</li> </ul>
Payables from exchange transactions	10-12	<ul style="list-style-type: none"> <li>1. Identify and train all officials, including finance officials, who place orders (allocate responsibility).</li> <li>2. Implementing MFMA s65           <ul style="list-style-type: none"> <li>a. Create creditor database for all payables</li> <li>b. Process all grn's and invoices timely</li> <li>c. Monthly reconciliations of all creditor accounts</li> <li>d. Process ct and dt notes timely</li> <li>e. Creditor account attached to all payments, proof that reconciliation was done</li> <li>f. Reports monthly – Creditor age analyses; Late capturing of grn's and invoices to track</li> </ul> </li> <li>2. Verifying balances included in the balances of payables           <ul style="list-style-type: none"> <li>a. Up to date reconciliations of diverse creditor accounts made available</li> <li>b. Resolving amounts not justifiable</li> </ul> </li> <li>3. Provision of outstanding documentation (limitations of scope) to the AG for audit</li> <li>4. Update 2012/13 balance</li> </ul>
Payables from non-exchange transactions	13	<ul style="list-style-type: none"> <li>1. Verifying balances included in the balances of payables           <ul style="list-style-type: none"> <li>c. Up to date reconciliations of diverse creditor accounts made available</li> <li>d. Resolving amounts not justifiable</li> </ul> </li> </ul>
Unspent conditional grants	14	<ul style="list-style-type: none"> <li>1. Compile audit evidence of all expenditure i.r.t. conditional grants for the period 01/07/13 to 30/06/14</li> </ul>
Provisions	15 – 16	<p>Classification of current and non-current portion of provisions.</p> <p>Obtain actuarial valuations.</p>
Value added tax (VAT) payable	17	<ul style="list-style-type: none"> <li>1. Perform VAT audit and implement corrective actions.</li> <li>2. Investigate the unclaimed VAT issues of 2011.           <ul style="list-style-type: none"> <li>a. Identify the transactions</li> <li>b. Were they corrected</li> <li>c. In which period</li> <li>d. Do the necessary corrective transactions</li> </ul> </li> <li>3. Review of 2014 monthly reconciliations</li> </ul> <p>Training of employees on VAT compliance.</p>

# Chapter 6

Consumer deposits	18	<ol style="list-style-type: none"> <li>1. Verify that all new deposits taken are receipted correctly and that proof thereof is properly filed for safekeeping.</li> <li>2. Make sure that existing deposits are utilised whenever any customer defaults. New deposit is taken.</li> <li>3. Develop a policy on renewal / usage of deposits.</li> <li>4. Systematically cash in the existing deposits on consumer accounts and take new deposits using the Venus System. Post receipt with account to client. This can also be billed over a period to avoid cash flow issues for the clients if the original deposit is way out of line with the current policy.</li> </ol>
Accumulated surplus	19	This issue should resolved with the resolving of the other areas
Housing development fund	20	Investigate and reconcile the Housing Development Fund account and adjust if necessary.
Revenue	21	<ol style="list-style-type: none"> <li>1. Collect and provide AG all supporting documentation for transactions that caused the limitation of scope</li> </ol>
Operating expenses	22	<ol style="list-style-type: none"> <li>1. Collect and provide to the AG all supporting documentation for transactions that caused the limitation of scope</li> <li>2. Review of all payments for compliance with all regulations and policies</li> </ol>
Remuneration of councillors	23	Discuss with provincial treasury and local government and present a report to council for consideration.
Cash flow statement	24	<ol style="list-style-type: none"> <li>1. For 2011/12 and 2012/13 <ul style="list-style-type: none"> <li>a. Identify all non-cash items</li> <li>b. Restate the cash-flow for 2012/13 and 2013/14</li> <li>c. Present to AG for scrutiny</li> </ul> </li> </ol>
GRAP disclosures	25-26	<ol style="list-style-type: none"> <li>1. For GRAP 1. <ul style="list-style-type: none"> <li>a. Prepare a checklist of all items that need to be disclosed</li> <li>b. Obtain all disclosable information</li> <li>c. Identify and note material classes of similar items for restatement</li> </ul> </li> <li>2. Address the disclosure note i.r.t. statements issued, not yet effective and that were not applied</li> </ol>
Unauthorised expenditure	27	<ol style="list-style-type: none"> <li>1. Establish controls to prevent and identify unauthorised expenditure and continuous monitoring</li> <li>2. a) Investigation of unauthorised and wasteful expenditure b) Develop a register and Investigate</li> </ol>

# Chapter 6

Irregular expenditure	28-29	<ol style="list-style-type: none"> <li>1. Establish the process in identifying, recording, and processing of irregular expenditure             <ol style="list-style-type: none"> <li>a. Appoint team to record irregular expenditure into register listing and report to Council</li> <li>b. Team verify all payments in line with MFMA</li> </ol> </li> <li>2. Correct the AFS comparative figure with the figure (as affirmed by process above) of the AG</li> </ol>
Capital commitments	30	<ol style="list-style-type: none"> <li>1. Utilise the PMC report for disclosure purposes</li> <li>2. Prepare a schedule of all projects for both grants and Council funded</li> </ol>
MFMA disclosures	31-32	<ol style="list-style-type: none"> <li>1. For MFMA Disclosure :             <ol style="list-style-type: none"> <li>a. Prepare a checklist of all items that need to be disclosed</li> <li>b. Obtain all disclosable information</li> <li>c. Identify and note material classes of similar items for restatement</li> </ol> </li> </ol>
Going Concern	36	Implement the revenue related actions plans reflected on the recovery plan
Electricity and Water distribution losses	32	<ol style="list-style-type: none"> <li>1. Plan must be submitted for the effective measurement of all council usage of water and electricity. (for example metering boxes on admin buildings and electrification of street, wards etc.)</li> <li>2. Budget</li> <li>3. Implementation</li> </ol>
Other legal and regulatory requirements :		
Procurement and contract management	50 – 74	<ol style="list-style-type: none"> <li>1. The supply management structure including bid committees will be reviewed to facilitate implementation of and compliance with the supply chain management policy.</li> <li>2. File all tender documents including administrative documents</li> <li>3. Compile an electronic referencing of all files</li> <li>4. Obtain all outstanding information that resulted in a limitation or report them accordingly</li> <li>5. Continuous training will be provided to supply chain officials, bid committee members and officials in general to promote and ensure compliance with the supply chain policy and regulations.</li> </ol>
Human resource management and compensation	75-78	<ol style="list-style-type: none"> <li>1. Training department to perform an audit on compliance with the minimum competency requirement regulations and implement corrective measures</li> </ol>
Expenditure management	79 – 81	<ol style="list-style-type: none"> <li>1. Implementing MFMA s65</li> <li>2. Implement the adopted recovery plan</li> </ol>

# Chapter 6

Asset management	82	1. Use of a service provider to assist with GRAP 17 compliance and resourcing of the asset management structure. 2. Implementation of the asset management policy
Waste Management	86-88	Develop and implement a plan to comply with waste management regulations.

## COMMENTS ON AUDITOR-GENERAL'S OPINION ON PERFORMANCE MANAGEMENT - 2011/12

Performance Management has received a clean audit opinion from the Auditor General.

## COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.



MK KGAUWE  
CHIEF FINANCIAL OFFICER

28 January 2014  
DATE

# APPENDICES

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# Glossary



# APPENDICES

## GLOSSARY

<b>ACCESSIBILITY INDICATORS</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>ACCOUNTABILITY DOCUMENTS</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>ACTIVITIES</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>ADEQUACY INDICATORS</b>	The quantity of input or output relative to the need or demand.
<b>ANNUAL REPORT</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>APPROVED BUDGET</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>BASELINE</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>BASIC MUNICIPAL SERVICE</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>BUDGET YEAR</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>COST INDICATORS</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>DISTRIBUTION INDICATORS</b>	The distribution of capacity to deliver services.
<b>FINANCIAL STATEMENTS</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>GENERAL KEY PERFORMANCE INDICATORS</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>IMPACT</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>INPUTS</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
<b>INTEGRATED DEVELOPMENT PLAN (IDP)</b>	Sets out municipal goals and development plans.

# APPENDICES

<b>NATIONAL KEY PERFORMANCE AREAS</b>	Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
<b>OUTCOMES</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>OUTPUTS</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>PERFORMANCE INDICATOR</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>PERFORMANCE INFORMATION</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>PERFORMANCE STANDARDS</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>PERFORMANCE TARGETS</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>VOTE</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> <li>(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</li> <li>(b) b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</li> </ul>

# Appendices



# APPENDICES

## APPENDICES

### APPENDIX A - COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COUNCIL MEMBERS	FULL TIME / PART TIME FT/PT	COMMITTEES ALLOCATED	WARD AND / OR PARTY REPRESENTED	% PERCENTAGE COUNCIL MEETINGS ATTENDANCE	% PERCENTAGE APOLOGIES FOR NON-ATTENDANCE
MK Khauoe	FT	Executive Mayor	PR Councillor ANC	99%	1%
ML Kortjas	FT	Speaker	PR Councillor ANC	97%	3%
S Nkebe	FT	Single Whip	PR Councillor ANC	97%	3%
L Rothman	FT	MMC Corporate Services	Ward Councillor ANC	99%	1%
MMS Lee	FT	MMC Finance	PR Councillor ANC	98%	2%
GR Kgosi	FT	MMC Economic Growth	PR Councillor ANC	97%	3%
ME Mtimkulu	FT	MMC Sport, Arts & Culture	PR Councillor ANC	100%	0%
GC Mbobo	FT	MMC Public Safety	Ward Councillor ANC	100%	0%
ML Mothibedi	FT	MMC Housing	PR Councillor ANC	97%	3%
ME Kgaile	FT	MMC Transversal Issues	PR Councillor ANC	98%	2%
RA Matspepe	FT	MMC Infrastructure	PR Councillor ANC	99%	1%
NS Mendela	FT	MMC Electrical	PR Councillor ANC	98%	2%
PR Pooe	FT	MMC Community & Health Services	PR Councillor ANC	93%	7%
MD Mogorosi	PT		Ward Councillor ANC	99%	1%
MD Mere	PT		Ward Councillor ANC	99%	1%
LL Appels	PT		Ward Councillor ANC	97%	3%
BM Plaatjie	PT		Ward Councillor ANC	100%	0%
ST Mpshapudi	PT		Ward Councillor ANC	99%	1%
SD Montoedi	PT		Ward Councillor ANC	100%	0%
MF Nthaba	PT		Ward Councillor ANC	97%	3%
SL Moremi	PT		Ward Councillor ANC	97%	3%
GJ Mohale	PT		Ward Councillor ANC	99%	1%
MI Mangesi	PT		Ward Councillor ANC	100%	0%
MM Chao	PT		Ward Councillor ANC	100%	0%
IJ Molebatsi	PT		Ward Councillor ANC	97%	3%
LA Lenepa	PT		Ward Councillor ANC	99%	1%
PJ Swart	PT		Ward Councillor DA	96%	4%
A Combrinck	PT		Ward Councillor DA	98%	2%
E Postma	PT		Ward Councillor DA	96%	4%
EPJ Nel	PT		Ward Councillor DA	97%	3%
JJ Le Grange	PT		Ward Councillor DA	97%	3%

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MM Booyens	PT		Ward Councillor ANC	99%	1%
TB Mpukwana	PT		Ward Councillor ANC	100%	0%
MA Thelejane	PT		Ward Councillor ANC	99%	1%
MS Sefika	PT		Ward Councillor ANC	93%	7%
LM Phakoe	PT		Ward Councillor ANC	98%	2%
NE Lekoala	PT		Ward Councillor ANC	96%	4%
BC Matolo	PT		Ward Councillor ANC	99%	1%
CJ Bester	PT		Ward Councillor DA	100%	0%
SM Steyn	PT		Ward Councillor DA	98%	2%
WJJ Louwrens	PT		Ward Councillor DA	95%	5%
GA Mohoemang	PT		Ward Councillor ANC	96%	4%
SL Sithole	PT		Ward Councillor ANC	97%	3%
AN Matross	PT		Ward Councillor ANC	98%	2%
TI Thobedi	PT		Ward Councillor ANC	100%	0%
MM Bontsi	PT		PR Councillor ANC	98%	2%
M Coetzee	PT		PR Councillor DA	97%	3%
LL Cutswa	PT		PR Councillor ANC	100%	05
MC Dithejane	PT		PR Councillor ANC	97%	3%
MF Dlamini	PT		PR Councillor ANC	96%	4%
NE George	PT		PR Councillor COPE	98%	2%
IM Groenewald	PT		PR Councillor FF+	100%	0%
EG Hart	PT		PR Councillor DA	100%	0%
IG Hendricks	PT		PR Councillor DA	96%	4%
MP Hlaka	PT		PR Councillor DA	98%	2%
KE Kgang	PT		PR Councillor ANC	100%	0%
EJ Legassick	PT		PR Councillor FF+	93%	7%
AL Lobese	PT		PR Councillor ANC	97%	3%
LT Mabunda	PT	Chairperson MPAC	PR Councillor ANC	99%	1%
GN Malete	PT		PR Councillor DA	98%	2%
NM Maseko	PT		PR Councillor ANC	100%	0%
OM Mogale	PT		PR Councillor ANC	94%	6%
SL Nakedi	PT		PR Councillor ANC	99%	1%
GA Ramphela	PT		PR Councillor ANC	96%	4%
L Robinson	PT		PR Councillor DA	94%	6%
KL Ross	PT		PR Councillor DA	99%	1%
MJ Sebata	PT		PR Councillor ANC	91%	9%
MS Sishuba	PT		PR Councillor ANC	98%	2%
FI Tagaree	PT		PR Councillor ANC	98%	2%
MA Thelejane	PT		Ward Councillor ANC	99%	1%

## COMMENTS

If the percentage for apologies for non-attendance is less than the percentage indicated for attended council meetings, it thus means that no apology was received and that the council member was absent without leave.

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES (OTHER THAN MAYORAL COMMITTEE) AND PURPOSES OF COMMITTEES	
Municipal Committees	Purpose of Committee
Finance and Debt Normalisation	Councillors Provide oversight role to all Committees
Housing, Land Affairs and Rural Development	Councillors Provide oversight role to all Committees
Corporate Service	Councillors Provide oversight role to all Committees
Community and Health Services	Councillors Provide oversight role to all Committees
Sports, Arts and Culture	Councillors Provide oversight role to all Committees
Public Safety	Councillors Provide oversight role to all Committees
Transversal Issues	Councillors Provide oversight role to all Committees
Infrastructure	Councillors Provide oversight role to all Committees
Electrical Engineering	Councillors Provide oversight role to all Committees
Economic Growth and Marketing	Councillors Provide oversight role to all Committees

# APPENDICES

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
Directorate	Deputy / Assistant Director
Deputy Director : Office Of The Municipal Manager	Marumo M.E.
Chief Audit Executive	Seero M.V.
Chief Risk Officer	Moabelo N.M.
Deputy Director : Mechanical Services	Rannona K.D.
Deputy Director : Public Safety	Marais A.J.S.
Deputy Director : Community Services	Masilo M.J.
Deputy Director : Sport, Arts And Culture	Morebodi M.G.
Deputy Director : Corporate Services	Ciya D.N.
Deputy Director : Human Resource And Labour Relations	Vacant
Deputy Director : Office Of The Executive Mayor	Baholo N.
Deputy Director : ICT	Mphuthi S.S.
Deputy Director : Income And Expenditure	Makgale R.T.
Deputy Director : Budget And Treasury Office	Vacant
Assistant Manager : Internal Audit	Molelekwa P.T.
Assistant Director : LED	Khuzwayo M.A.
Assistant Director : Corporate Communication	Phele N.D.
Market Master	Conradie J.S.
Assistant Director : Water	Sibanyoni G.K.
Assistant Director : Sewerage	Pilusa J.J.
Assistant Director : Roads, Storm-water And Landfill	Ntlatleng M.S.L.
Assistant Director : Development Planning And Building Inspectorate	Selemoseng L.D.
Assistant Director : Housing Services	Phala S.P.
Assistant Director : Planning And Project Management	De Lange J.F.
Assistant Director : Municipal Services, Garage And Mechanical Workshop	Mpe J.R.
Assistant Director : Traffic And Security	Ntozini R.W.
Assistant Director : Licensing	Muntu S.P.
Assistant Director : Fire And Rescue	Deysel T.
Assistant Director : Primary Health Care	Motsoenyane N.M.
Assistant Director : Refuse Removal And Cleansing	Vacant
Assistant Director : Parks And Cemeteries	Bindemann H.F.
Assistant Director : Library Services	Vacant
Assistant Director : Administration	Jansen Van Rensburg J.E.
Assistant Director : Legal Services	Mokansi M.G.
Assistant Director : Human Resource Management And Development	Mbotshane A.T.
Assistant Director : Labour Relations	Solomons A.M.
Assistant Director : Office Of The Speaker	Motingoe I.S.
Assistant Director : Office Of The Whip	Matyana A.V.
Assistant Director : Expenditure Management	Letlhoor J.G.
Assistant Director : Supply Chain Management	Motileni T.B.
Assistant Director : Debt Management	Weitsz K.
Assistant Director : Revenue Management	Silent J.M.
Assistant Director : Budgeting And Planning	Rossouw H.S.

# APPENDICES

## APPENDIX D – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal public works only i.r.o. the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

# APPENDICES

## APPENDIX E – WARD REPORTING

### FUNCTIONALITY OF WARD COMMITTEES

Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	<b>Clr. M D Mogorosi</b> M Mosibi G Mqikela J Tolman J Modutwane J Setlogelo S Segwedi T Kopakae S Booii A Mokgaetsi Khoza S	YES	4	4	3
2	<b>Clr. M D Mere</b> L Eksteen B Morwane L Solane S Dial K Serapelo M Stuurman M Williams N Bonde Z Monone M Mnyamani	YES	5	5	3
3	<b>Clr. LL Appels</b> J Sei M Edmunds C Petersen N Jacobs AM Thore C Le Ray G Steytler H Appels A Koopman L Skiet	YES	1	1	1
4	<b>Clr. B M Plaatjie</b> M Makhwele Y Malgas S Majoro E Ntomo M Mojaki N Mvelo G Pakwe R Motolo M Maiketso D Moloi	YES	7	6	3
5	<b>Clr. S T Mpshapudi</b> T Kgoko M Ndane K Mogale M Tladi V Ncedo M Bikauri S Ngake T Qushekile W Makoro V Mbunda	YES	16	14	4
6	<b>Clr. SD Montoedi</b> R Antone M Ntwanngwe G Nkgoang L Segoe T Dlamini T Molaoa C Dikwidi A Lekgetho P Ditlhareng	YES	10	9	4

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7	<b>Clr. LV Rothman</b> L Ngeno J Rantsie P Mogokane W Goshupelwang	T Motlhatlhedi M Harmse L Dumiso D Sematle	YES	6	5	3
8	<b>Clr. M F Nthaba</b> T Majelenyane B Mocumi M Sikwana N Mdzingi M Moloi	K Dire S Gaolebe E Mei J Selepe D Mofokeng	YES	11	11	4
9	<b>Clr. L Moremi</b> KM Tshobeka Z Magwaca S Maleho K Khetsi	O Phafane K Moleme D Mqakumbana	YES	8	8	4
10	<b>Clr. GJ Mohale</b> T Mokgashane T Serei I Mere J Nche	J Ndakane N Mbadla Z Bekezulu M Monyemore	YES	11	11	4
11	<b>Clr. MI Mangesi</b> C Menze M Mthwa E Segometso L Makhahlela M Montshioagae	D Simango J Melato K Motjale C Tyatya V Senatle	YES	10	10	4
12	<b>Clr. MM Chao</b> RM Mojaki P Pretorius J Maponya K Mabube LB Modimonyane	M Mvala K Gaeje G Moshwang M Sekhonyane D Mphungu	YES	2	2	1
13	<b>Clr. IJ Molebatsi</b> W V Zozi K Manonye D Maleho D Phuthi Noandile Xungu	S Tsatseng D Bokland S Mphandane H Moboekae	YES	3	1	1
14	<b>Clr. LA Lenepa</b> O Modutlwa T Ntabeleng D Oageng S Mathosa N Jaars	L Tshiping S Phakoe D Ndlala R Mneno M Phoko	YES	10	9	3

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15	<b>Clr. PJ Swart</b> G Cromhout M Moeng M Mynhardt J Walker D Serfontein	YES	6	6	3
16	<b>Clr. A Combrinck</b> S Symington M Moyakhe E Rheeder R Mokwena HJP Knoetze	YES	8	8	4
17	<b>Clr. E Postma</b> A Van Aarde JS Du Plessis W Lillie AJ Van Tonder	YES	12	12	4
18	<b>Clr. P Nel</b> A Nienaber M Venter A Diedericks E Cronje J Stander	YES	5	5	3
19	<b>Clr. JJ Le Grange</b> A Bester A Rossouw P Roux MCJ Le Grange A Visagie	YES	7	7	4
20	<b>Clr. MM Booyse</b> S Mothaoleng I Temba M Duiker T Mosenohi E Maloka	YES	12	12	4
21	<b>Clr. B Mpukwana</b> S Nongqayi T Batyie J Biyela T Mathinyane B Fudukile	NO	0	0	0

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22	<b>Clr. M Thelejane</b> J Selahla N Paul L Sikwana ZN Tshabalala A Ludidi	T Sibidla O Mpholo F Santho O Setlhare	YES	10	10	4
23	<b>Clr. GC Mbobo</b> N Mbobo T Mphatse F Lebakama K Molutsi N Booii	S Nani K Maetla T Maunatlala L Mohlabi	YES	5	5	3
24	<b>Clr. M S Sefika</b> K Maanya E Modukanele T Mabulela J Seleke	S Tayi K Sebego M Mamokhosi A Motitimi	YES	9	9	3
25	<b>Clr. M Phakoe</b> C Myelwa S Botsielo R Fusa M Kotola M Joseph	A Tsotsotso A Mpedi L Marera N Mphotywa L Fistus	YES	11	11	4
26	<b>Clr. E Lekoala</b> NW Ndindwa MA Mokgatla MJ Lesupi MV Lekgari ME Sekgejane	MP Madaka VP Mfene NP Phatho CJ Mthetho	YES	7	7	3
27	<b>Clr. BC Matolo</b> I Mathambo S Duiker MH Kgapolala D Galeboe	M Finnis T Moahloli J Mothibi MG Saul	YES	13	13	4
28	<b>Clr. CJ Bester</b> P Kotze M Paralie M Maine HJ Van Straaten	P Scholtz L Mttingane P Mokebe J Holtzhausen	YES	8	8	4
29	<b>Clr. ST Steyn</b> P Baas M Gideon M Serei D Nonjoli S Mgemanne	J Tenza S Fourie M Budd N Mkwentane	YES	9	9	4

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30	<b>Clr. WJJ Louwrens</b> A Sinetile J Reid P Fibiger L Kaka C Barrows G Mokhele CL Fibiger	YES	7	7	3
31	<b>Clr. GA Mohoemang</b> EK Mqhedlana GC Mokgele SM Matsepe K Njovane DB Magosi EG Mokalane SM Khimbili MD Letshwiti TN Metshe CG Promnitz	YES	10	10	4
32	<b>Clr. A Matsepe</b> M Mochochoko DE Badenhorst FM Mashoba S Dayimani KL Duiker KL Mokgoro MM Lebitso N Mpholo	YES	12	12	4
33	<b>Clr. S Sithole</b> DL Direko S Teme NP Ndawo J Qankase MD Sereko ME Leeuw SB Nyilongo AJ Matlhoko D Moitse	YES	6	6	3
34	<b>Clr. Matross</b> BV Gingxana T Msikinya MA Thipampeng SL Moopelwa AI Latha GN Mathetha MA Makgale MP Maquaza SM Sithole RK Ponisi	YES	10	10	4
35	<b>Clr. TI Thobedi</b> SJ Daemane CN Khumalo EG Tsie E Oliphant D Hani LM Rathogo, CA Botman MM Huna OS Letlhoo	YES	13	13	4

# APPENDICES

## APPENDIX F – WARD INFORMATION

WARD TITLE: WARD NAME (NUMBER)				
Capital Projects: Seven Largest in 2012/13 (Full List at Appendix O)				
R' 000				
Ward No.	Project Name and detail	Start Date	End Date	Total Value
1 - 35	Resealing of roads KOSH area	07/1/2012	11/30/2012	6 044
1 - 2	Increase capacity Hartbeesfontein waste water treatment plant	07/1/2012	06/30/2013	14 348
1 - 35	Rehabilitation of landfill sites: KOSH area	07/1/2012	06/30/2013	10 398
4 - 14	Jouberton extension 24 (phase 2): Electrification of 1192 stands	07/1/2012	03/31/2013	8 149
31 - 35	Khuma bulk water supply (phase 3)	07/1/2012	03/31/2013	7 281
1 - 2	Increase capacity at Hartbeesfontein Waste Water Treatment Plant	07/1/2012	06/30/2013	4 733
1 - 2	Increase capacity at Hartbeesfontein Waste Water Treatment Plant	07/1/2012	06/30/2013	4 675

BASIC SERVICE PROVISION				
Detail	Water	Sanitation	Electricity	Refuse
Households with minimum service delivery	160 349	158 770	158 774	159 680
Households without minimum service delivery	1 986	3 565	3 561	2 655
Total Households*	162 335	162 335	162 335	162 335

\*Including informal settlements

TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD (HIGHEST PRIORITY FIRST)		
Ward No.	Priority Name and Detail	Progress During 2012/13
1 - 35	Rehabilitation of Landfill site: KOSH	Completed
1 - 2	Increase Capacity - Hartbeesfontein WWTP: Phase 1 (Mechanical)	In progress
5 - 10, 12 - 14	Paving of Taxi Routes and Storm-Water Drainage: Jouberton: Phase 6	In progress
1 - 4 + 12	Upgrading Mechanical, Electrical Equipment and Pump-stations: (Volume 4)	In progress

# APPENDICES

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/13

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
Date of Committee	Committee recommendations during 2012/13	Recommendations adopted (enter Yes) If not adopted (provide explanation)
26-Nov-13	Internal Audit to conduct self assessment	Yes
26-Nov-13	Submission of monthly reporting on accruals, subsequent and outstanding payments	No, report on accruals not prepared.
26-Nov-13	Appointment of service provider to assist with determination of provisions for landfill site and post retirement employee benefits.	Yes
26-Nov-13	Appointment of Asset service provider to assist with the unbundling of assets and compliance with GRAP 16, 17	Yes
26-Nov-13	Submission of Finance Skills audit report containing assessment done, any structural changes and recommendations	Report submitted still in process of conducting skills assessment.
5-Feb-13	Workshop for Councillors on the role of Audit Committee, Corporate Governance and Corruption	Yes
5-Feb-13	Session of summarized calculation of water and electricity distribution losses	Yes
5-Feb-13	Development and implementation of AG action plan register	AG action plan developed but not fully implemented by management as per agreed timeframes.
5-Feb-13	Reconciliations of municipal accounts	Reconciliations are done except Creditors reconciliation
5-Feb-13	Include the following in the Finance report Monthly set and comment of Financial Statements, Section 71 report, cash forecast report and report on third party report.	Yes
21-Jun-13	Preparation and submission of report of unauthorized, irregular and fruitless expenditure.	Yes
21-Jun-13	Submission of risk management and fraud prevention policies	Yes
21-Jun-13	Normal debt collection process be implemented on government departments who owes municipality (disconnection of electricity)	To be reported at the next Audit Committee meeting
21-Jun-13	Preparation of risk register indicating strategic and operational risks	To be reported at the next Audit Committee meeting
29-Aug-13	Annual Financial Statements should be reviewed by Internal Audit prior to submission to Audit Committee for review.	To be reported at the next Audit Committee meeting
29-Aug-13	Audit Committee members be invited at the AG steering committee meetings.	To be reported at the next Audit Committee meeting
29-Aug-13	Preparation and submission of report on grants allocated to the municipality and an expenditure plan of the grants.	To be reported at the next Audit Committee meeting
29-Aug-13	Draft Supply Chain Management procedure manual by September 2013	To be reported at the next Audit Committee meeting
29-Aug-13	Preparation and submission of the expenditure report on the all appointed consultants.	To be reported at the next Audit Committee meeting

# APPENDICES

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING 2012/13)				
Name of Service Provider	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project Manager
Marathi & Mataka Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
De Kocks Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
Oosthuizen du Plooy Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
Lourens Bezuidenhout Incorporated	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
Kgomo Mokhetle & Tlou	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
Mokonyane Incorporated Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
Lebethe Attorneys Incorporated	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
VA Mazabane Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
R Masilo Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
Waks & Silent Attorneys	Legal support and services	01/10/2012	01/10/2015	Mr. MG Mokansi
Godracias Trading Enterprises CC	Supply and delivery of paraffin lantern lamps	23/07/2012	23/07/2015	Mr. B Lekgonyane
SO Matshidiso Construction	Supply and storage of illuminating paraffin	20/11/2012	20/11/2015	Mr. B Lekgonyane
Babatsho Construction and Projects 65 CC/Tigane Developers & Property	Supply and delivery of primus stoves	23/07/2012	23/07/2015	Mr. B Lekgonyane
Administrators JV				
Impilonhle and Kezla Consortiums JV	Supply and delivery of NQF L2 & L4 Learnership Services	15/05/2013	31/05/2015	Mr. S Masibi

# APPENDICES

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Not Applicable

# APPENDICES

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS PERIOD 1 JULY 2012 TO 30 JUNE 2013		
Position	Name	Description of Financial interests* (Nil / Or details)
EXECUTIVE MAYOR	Cllr. MK Khauoe	Sasol Limited 15%, Inzalo Public Limited 55%, MK Khauoe100%
MEMBER OF EXECUTIVE COMMITTEE		
MMC: Corporate Services	Cllr. LV Rothman	Member of the MCPF
MMC: Transversal Issues	Cllr. ME Kgaile	Member of the MCPF
MMC: Housing, Land and Rural Development	Cllr. LM Mothibedi	Member of the MCPF
MMC: Sport, Arts and Culture	Cllr. ME Mtimkulu	Member of the MCPF
MMC: Finance & Debt Normalization	Cllr. MMS Lee	Member of the MCPF
MMC: Economic Growth & Market	Cllr. GR Kgosi	Member of the MCPF
MMC: Public Safety	Cllr. GC Mbobo	Member of the MCPF
MMC: Community & Health Services	Cllr. PR Pooe	Kebontse 51%, Member of the MCPF
MMC: Infrastructure& Utilities	Cllr. RA Matsepe	Alternate Director Midvaal Water Company, Member of the MCPF
MMC: Electrical & Mechanical Engineering	Cllr. NS Mendela	Member of the MCPF
SPEAKER	Cllr. LM Kortjas	Submitted flats, accommodation and Director Midvaal Water Company. Member of the MCPF
SINGLE WHIP	Cllr. GS Nkebe	Morogo People's Development Project 33%, Dishashe 25%. Member of the MCPF
CHAIRPERSON OF MPAC	Cllr. LT Mabunda	Nkotazo Trading Enerprise 100%, Dishashe 25%, member of the MCPF
COUNCILLOR	Cllr. MD Mogorosi	Member of the MCPF
	Cllr. TB Mpukwane	Member of the MCPF
	Cllr. A Combrinck	Member of the MCPF
	Cllr. KE Kgang	Member of the MCPF
	Cllr. SL Sithole	Member of the MCPF, Foster care grants
	Cllr. IJ Molebatsi	Member of the MCPF, Quantum X2
	Cllr. EJ Legassick	Star Lubricant Distributor cc. 50%, Pioneer Motors cc., Pioneer Trust Properties, Owner of filling station R50,000p/m, Owner of Oil Depot, Own Properties, Filling Station, Flats and Houses. Member of the MCPF
	Cllr. MP Hlaka	Owns a tuck shop, member of the MCPF
	Cllr. I Hendricks	Member of the MCPF
	Cllr. MM Booyesen	Member of the MCPF
	Cllr. PJ Swart	Member of the MCP
	Cllr. NM Maseko	Member of the MCPF, Tsogang Bomme (number of shares not indicated)

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	Cllr. MM Bontsi	Lusa Construction 33,3%, GLMM Engineering & Logistics 50%. Member of the MCPF
	Cllr. MS Sishuba	Masetshi trading 10%, Arefadimeheng Basadi 20%. Member of the MCPF
	Cllr. MD Mere	Mere Bricks & Hardware cc 100%, Siyanqoba Engineering Party Limited 60%. Member of the MCPF
	Cllr. MC Dithejane	Member of the MCPF
	Cllr. SD Montoedi	Retirement Annuity, Montoedi Panel Beaters 100%, Member of the MCPF
	Cllr. MM Chao	Member of the MCPF
	Cllr. SM Steyn	Member of the MCPF
	Cllr. EPJ Nel	J C Nel Family Trust, Alternate Director Midval Water Company, Part time Worker at J C Nel QS R5700.00p/m. Dennegeur Family Trust (Pretoria). Member of the MCPF
	Cllr. OM Mogale	Phuthuma Nathi 1000 Ordinary shares. OANDM Managers 100%, News Armed Response 100%, Mzantsi Services 100%, Grinaker 50%, Face Lift Properties 100%, BOTCOM / TELEKOM 20%, Grinaker / all type 50%. Member of the MCPF
	Cllr. AL Lobese	Political Education Coordinator R242400 p/a. Member of the MCPF
	Cllr. L Robinson	Employed: SENWES, R138,000 p/a. Member of the MCPF
	Cllr. JJ Le Grange	Le Grange / Mitchell Properties 50%, JJ Le Grange Financial Consultants. Member of the MCPF
	Cllr. NE George	B4 Sunrise Agri Coop, tuck shop, Taxi Industry, Farmer and have Live Stock, Farm Council Lease. Member of the SALAMPF.
	Cllr. JM Sebata	NWDC Interim Board Member, Dept. of Education. Member of the MCPF
	Cllr. MA Thelejane	Member of the MCPF
	Cllr. J Mohale	Sasol Inzalo 10%, Hamba Kahle Guest House and Pub 100%. Member of the MCPF
	Cllr. M Coetzee	Lekkerbek Spyseniering 100%, Phillip Coetzee Family Trust, 52 Vermaas Street 100%. Member of the MCPF
	Cllr. NG Malete	Yebo Yethu 100%. Member of the MCPF
	Cllr. CJ Bester	Your Homes Property Realtors cc 50%, Tanni Management & Facilitators cc. 50%, CJ Construction 100%. Member of the MCPF
	Cllr. KL Dire	Member of the MCPF
	Cllr. MF Dlamini	Member of the MCPF
	Cllr. SL Nakedi	Member of the MCPF
	Cllr. MF Nthaba	Member of the MCPF

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	Cllr. LA Lenepa	Member of the MCPF
	Cllr. EM Postma	Member of the MCPF. 24 Heide Street, Farm Drogekraal properties.
	Cllr. ST Mpshapudi	Member of the MCPF
	Cllr. BM Plaatjie	Gaetshware 50%. Member of the MCPF
	Cllr. BC Matolo	Member of the MCPF
	Cllr. TI Thobedi	Member of the MCPF
	Cllr. MS Sefika	Member of the MCPF
	Cllr. FI Tagaree	Speed of Light 50%. Member of the MCPF
	Cllr. AN Matross	Vision Expects Trading Enterprise Pty Ltd 50%. Member of the MCPF
	Cllr. LL Cutswa	Member of the MCPF
	Cllr. S L Moremi	Member of the MCPF
	Cllr. GA Mohoemang	Member of the MCPF
	Cllr. RL Ross	Member of the MCPF
	Cllr. LMP Hakoe	LAZPHAK Trading. Member of the MCPF
	Cllr. LL Appels	Dept Education R252,528 p/a. Member of the GEPF
	Cllr. WJJ Louwrens	Member of the MCPF
	Cllr. IM Groenewald	Alternate Director Midval Water Company, UIF Organiser R 92,000 p/a. Member of the MCPF
	Cllr. MI Mangesi	Tlhamalalang Trading Enterprise cc. 80%. Member of the MCPF
	Cllr. GA Ramphele	Gobuamang B Enerprise 50%, One Turn Trading 50 %, Ngwao Art Co-op, Ya Rona Co-op. Member of the MCPF
MUNICIPAL MANAGER	Mr. ET Motsemme	Ogodisen Consulting - No Income, Botho Diamond Mining - No Income, Bakomoso Utilities Training - No Income; Ross Precious Management Training - No Income
CHIEF FINANCIAL OFFICER	Mr. MK Kgauwe	K Capital Driving School - 100% Shares
OTHER S57 OFFICIALS		
Director: Corporate Services	Mr. AG Strydom	Real Investment CC - 20%, 13 Ellen Street, Grootbrak-Section Title R 350 000, Erf 1942, Orkney - R 900 000
Director: Macro City Planning and Development	Mr .SG Mabuda	House Jouberton - R 350 000, House Doringkruin – R 800 000, House Adamayview - R 900 000
Director: Strategic Planning, Monitoring and Control	Ms. LM Ramorola	Flat Klerksdorp - R 320 000
Director: Civil Services and Human Settlements	Mr. DR Mukondeleli	Khurhe Consulting – R0

# APPENDICES

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	REVENUE COLLECTION PERFORMANCE BY VOTE						R' 000	
	2011/12	2012/13			2012/13 Variance %			
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget		
Corporate Governance & Administration	633 667	609 140	542 233	510 420	-0.19	-0.06		
Infrastructure	616 827	935 680	956 578	853 714	-0.10	-0.12		
Economic Affairs	13 967	16 745	16 934	15 355	-0.09	-0.10		
Community Services & Administration	98 578	231 611	226 047	203 547	-0.14	-0.11		
Total Revenue by Vote	1 363 039	1 793 176	1 741 792	1 583 036	-0.13	-0.10		

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

# APPENDICES

## APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	REVENUE COLLECTION PERFORMANCE BY SOURCE						R '000
	2011/12	2012/13			2012/13 Variance	%	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	183 251	264 526	253 065	219 541	-0.20	-0.15	
Property rates - penalties & collection charges							
Service Charges - electricity revenue	298 517	498 219	411 054	360 171	-0.38	-0.14	
Service Charges - water revenue	183 334	204 849	230 839	215 806	0.05	-0.07	
Service Charges - sanitation revenue	80 277	81 027	81 027	83 945	0.03	0.03	
Service Charges - refuse revenue	80 659	84 753	84 753	85 637	0.01	0.01	
Service Charges - other	18 979	68 735	155 165	162 023	0.58	0.04	
Rentals of facilities and equipment	8 536	12 805	8 081	8 142	-0.57	0.01	
Interest earned - external investments	42 848	2 000	1 500	4 669	0.57	0.68	
Interest earned - outstanding debtors	-	56 252	32 495	39 378	-0.43	0.17	
Dividends received	-	-	-	-	-	-	
Fines	6 557	12 427	8 311	7 943	-0.56	-0.05	
Licences and permits	4 495	8 524	8 524	6 626	-0.29	-0.29	
Agency services	-	-	-	-	-	-	
Transfers recognised - operational	352 580	341 313	341 313	342 135	0.00	0.00	
Other revenue	103 000	157 342	123 461	45 265	-2.48	-1.73	
Gains on disposal of PPE		400	2 200	1 749	0.77	-0.26	
Environmental Protection		-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 363 033</b>	<b>1 793 172</b>	<b>1 741 788</b>	<b>1 583 030</b>	<b>-0.13</b>	<b>-0.10</b>	

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.  
This table is aligned to MBRR table A4.

# APPENDICES

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Details	Budget	Adjustments Budget	Actual	Variance		R' 000
				Budget	Adjustments Budget	
Municipal System Improvement	800	800	800	0%	0%	
Finance Management Grant	1 500	1 500	1 500	0%	0%	
EPWP	1 840	1 840	1 840	0%	0%	
Improvements Library Services	400	400	400	0%	0%	
Mayoral Environmental Youth		3 000	3 000	0%	0%	
Fire Grant	0	0	0	0%	0%	
NER	2 500	2 500	2 500	0%	0%	
<b>Total</b>	<b>7 040</b>	<b>7 043</b>	<b>7 043</b>	<b>0%</b>	<b>0%</b>	

# APPENDICES

## APPENDIX M: CAPITAL EXPENDITURE – NEW PROGRAMMES

Description	CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME*						R '000
	2011/12	2012/13			Planned Capital Expenditure		
Actual	Original Budget	Adjustment Budget	Actual Expenditure	2013/14	2014/15	2015/16	
<b>Capital expenditure by Asset Class</b>							
Infrastructure - Total	37 243	137 846	15 514 495	1 319 115	116 700	70 846	79 345
Infrastructure: Road transport - Total	21 970	70 954	113 895	55 429	42 700	26 310	30 000
Storm water	21 970	70 954	113 895	55 429	42 700	26 310	30 000
Infrastructure: Electricity - Total	46 113	21 500	21 100	11 267	4 500	15	15 000
Transmission & Reticulation	46 113	21 500	21 100	11 267	4 500	15	15 000
Infrastructure: Water - Total	17 179	23 500	22 755	11 604	31 000	29 521	14 345
Reticulation	17 179	23 500	22 755	11 604	31 000	29 521	14 345
Infrastructure: Sanitation - Total	11 967	21 892	29 479	24 310	38 500	15 000	20 000
Sewerage purification	11 967	21 892	29 479	24 310	38 500	15 000	20 000
Infrastructure: Other - Total	740 014	-	15 327 266	11 216 505	-	-	-
Other	740 014		15 327 266	11 216 505	-	-	-
Community - Total	6 367	12 699	10 882	1 634	21 300	27 000	33
Libraries	4 017	564	564	828	21 300	27 000	33
Recreational facilities	2 350	12 135	10 318	806	-	-	-
Heritage assets - Total	7	-	-	-	-	-	-
Other	7	-	-	-	-	-	-
Other assets	8 980	1 699	2 530	981	10 335	-	-
Specialised vehicles	751	531	531	447	-	-	-
Plant & equipment	7 062	499	499	499	-	-	-
Furniture and other office equipment	1 167	669	1 500	35	10 335	-	-
<b>Total Capital Expenditure on new assets</b>	<b>852 597</b>	<b>152 244</b>	<b>15 527 907</b>	<b>11 321 730</b>	<b>148 335</b>	<b>97 846</b>	<b>79 378</b>

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

# APPENDICES

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2012/13

CAPITAL PROGRAMME BY PROJECT: 2012/13					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Actual Adjustment) %	R' 000 Variance (Actual Budget) %
<b>WATER</b>					
Khuma bulk water supply (phase 3)	7 500		7 281	100%	-3%
<b>SANITATION</b>					
Increase capacity Hartbeesfontein Waste Water Treatment Plant	14 392		14 348	100%	0%
Increase capacity at Hartbeesfontein Treatment Plant		5 292	4 733	-12%	100%
Increase capacity at Hartbeesfontein Waste Water Plant		9 438	4 675	-102%	100%
<b>ELECTRICITY</b>					
Jouberton extension 24 (phase 2) Electrification of 1,192 stands		8 460	8 149	-4%	100%
<b>REFUSE REMOVAL</b>					
Rehabilitation of landfill sites : KOSH area	14 196		10 398	100%	-37%
<b>ROADS AND STORM-WATER DRAINAGE</b>					
Resealing of roads in KOSH area		7 394	6 044	-22%	100%

# APPENDICES

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/13

CAPITAL PROGRAMME BY PROJECT BY WARD: 2012/13		
Capital Project	Ward (s) Affected	R' 000 Works Completed (Yes/No)
<b>WATER</b>		
Khuma bulk water supply (phase 3)	Ward 31 - 35	Yes
<b>SANITATION</b>		
Increase capacity Hartbeesfontein Waste Water Treatment Plant	Wards 1 & 2	No
Increase capacity at Hartbeesfontein Treatment Plant	Wards 1 & 2	No
Increase capacity at Hartbeesfontein Waste Water Plant	Wards 1 & 2	No
<b>ELECTRICITY</b>		
Jouberton extension 24 (phase 2) Electrification of 1,192 stands	Wards 4 - 14	Yes
<b>REFUSE REMOVAL</b>		
Rehabilitation of landfill sites : KOSH area	All Areas	Yes
<b>ROADS AND STORM-WATER DRAINAGE</b>		
Resealing of roads in KOSH area	All Areas	Yes

# APPENDICES

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

SERVICE BACKLOGS: SCHOOLS AND CLINICS				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
<b>Schools</b>				
Dominionville Primary School (Rural Area)	285	VIP Toilets	X	X
Letsatsie Primary School (Rural Area)	185	VIP Toilets	X	X
Mahubre Primary School (Rural Area)	150	VIP Toilets	X	X
Nkupsana Primary School (Rural Area)	165	VIP Toilets	X	X
Pelonomi Primary School ( Rural Area)	360	VIP Toilets	X	X
Phukelo Primary School (Rural Area)	135	VIP Toilets	X	X
Tshogafatso Primary School (Rural Area)	148	VIP Toilets	X	X
<b>Clinics</b>				
None				

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**Financial Statements**

